Daily Report

East Europe

FBIS-EEU-95-022
Thursday
2 February 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
East Europe

FBIS-EEU-95-022 *2 February 1995*

CONTENTS

NOTICE TO READERS: All material in this volume previously disseminated in electronic form.

ALBANIA

Berisha Views Auschwitz Ceremony, Meetings *[Tirana TV]* 1

BULGARIA

Pavlov Views Army Budget, NATO, Russia *[24 CHASA 28 Jan]* 2
Rakovski Legion Said To Approve of Minister *[DUMA 28 Jan]* 2

CZECH REPUBLIC

Associate Membership of 'European 15' Signed *[Prague Radio]* 3
Defense Minister Holan Views Army's Future *[MLADY SVET 19 Jan]* 3

SLOVAKIA

Envoy Notes Russia's Reaction to New Government *[SLOVENSKA REPUBLIKA 28 Jan]* 5
Foreign Minister on CE Minorities Convention *[Bratislava Radio]* 5
Ethnic Hungarian Head Views Planned Basic Treaty *[UJ MAGYARORSZAG 1 Feb]* 6
Kozlik Outines Economic, Financial Policies *[EKONOM 26 Jan-1 Feb]* 6
Ducky Views 'Strategic' Firms' Privatization *[NARODNA OBRODA 30 Jan]* 10

HUNGARY

Finance Minister Explains Reasons for Resignation *[Budapest Radio]* 12
Horn Views Economic Strategy, Coalition *[NEPSZABADSAG 31 Jan]* 13
HDUR Criticizes Latest Ruling on Minorities *[Budapest Radio]* 17
Attempt To Reconcile Vojvodina Hungarians Fails *[Budapest TV]* 17
Kovacs on Minority Rights Framework Agreement *[Budapest TV]* 17

POLAND

Walesa To Dissolve Sejm Unless Agreement Reached *[Warsaw Radio]* 19
'No Choice' *[Warsaw Radio]* 19
Walesa Seeking To Postpone Presidential Election *[PAP]* 19
Bios of Likely Defense, Foreign Ministers *[GAZETA WYBORCZA 2 Feb]* 20
Pawlak Stalls Appointment of Head of Police *[GAZETA WYBORCZA 1 Feb]* 20
Poll: More Respondents Critical of Pawlak *[RZECZPOSPOLITA 31 Jan]* 21

ROMANIA

Iliescu Outlines New European Integration Goals *[Bucharest Radio]* 22
Tokes To 'Step Aside' Until Disputes Settled *[Budapest Radio]* 23

BOSNIA-HERZEGOVINA

Izetbegovic Warns About Serb Attacks on Bihac *[Sarajevo Radio]* 24
Ganic Interviewed About Embargo, U.S. Stand *[Cairo MENA]* 24
Izetbegovic-Ganic Statement Rejects Criticism *[Sarajevo Radio]* 24
Silajdzic Rejects New Peace Conference Proposal *[Sarajevo Radio]* 25
Serbs Threaten UNPROFOR Over Tuzla Airport *[AFP]* 25
Serbs, Muslims Agree To Open 'Blue Routes' *[SRNA]* 25

UN Trucks Use Route *[AFP]* 26
UN: Croatian Serb Force Moving Against Bihac *[AFP]* 27
Sarajevo Rounds Up Attacks in Bihac Pocket *[Sarajevo Radio]* 27
Serbs Say Muslim Attacks Near Bihac Continuing *[SRNA]* 27
Muslim-HVO Command To Move to Central Bosnia *[Mostar Radio]* 27

CROATIA

TANJUG Views RSK Rejection of Z-4 Plan 29
Martic Views Significance of Resolution 970 *[NIN 20 Jan]* 29

THE FORMER YUGOSLAV REPUBLIC OF MACEDONIA

OSCE Mission Head Advises Emphasis on Economy *[NOVA MAKEDONIJA 2 Feb]* 33

SLOVENIA

Thaler To Visit Zagreb, Budapest, Rome *[Ljubljana Radio]* 34
Signs Minorities' Convention *[Ljubljana Radio]* 34
Kacin, Rifkind Sign Military Cooperation Pact *[Ljubljana Radio]* 34
Kucan Criticizes UN Over Treatment of Muslims *[Tehran IRNA]* 34

YUGOSLAVIA

Federal

Kontic Urges Good Ties to All Religions *[TANJUG]* 36
Repatriates From Western Europe To Be Accepted *[TANJUG]* 36
Supreme Defense Council Meets in Belgrade *[TANJUG]* 37

Serbia

Milosevic: Contact Group Plan Basis for Talks *[TANJUG]* 37
Meets With Bosnian Group *[TANJUG]* 37
Barricades Erected To Protest Against Power Cuts *[BORBA 1 Feb]* 38

Berisha Views Auschwitz Ceremony, Meetings

AU3'01145895 Tirana TVSH Television Network in Albanian 1900 GMT 28 Jan 95

[Interview with Albanian President Sali Berisha by correspondent Vjollca Vokshi in Tirana; date not given]

[FBIS Translated Excerpt] [Passage omitted] [Vokshi] Through telephone reports from Poland, we learned in our newscasts of your meetings there with distinguished European and world personalities. What news are you bringing from the diplomatic meetings you held there?

[Berisha] Thanks to the excellent organization of these celebrations by the Polish side, we had the opportunity to hold numerous bilateral meetings during our stay in Krakow. Of these, I would point out the meeting with German President Roman Herzog.

At this meeting, I thanked and expressed my deep gratitude to the German president for the great assistance that the German government, institutions, and people have given, and continue to give, Albania at a very important period in the construction of the market economy and consolidation of democracy, as well as in its integration into European institutions. President Herzog assured me that Germany watches all developments in Albania with special interest and will assist Albania increasingly. We also discussed the ways and means of expanding this cooperation. We agreed that the German president will visit Albania and we appointed 1 March as the day of that visit.

On this occasion, I would like to express my conviction that this is a historic event in the relations between our two countries that will contribute greatly to developing friendship and cooperation between Albania and Germany.

During my stay in Krakow, I met with presidents Walesa, Iliescu, Zhelev, Kucan, Havel, and Kovac, as well as the presidents of Lithuania, Latvia, and Ukraine. At all these meetings, the first topic of discussion was undoubtedly the course of the reform in our countries and the possibilities for expanding cooperation at all levels, in the political and economic and all other spheres, through exchanges of delegations, experts, and parliamentary and governmental delegations.

At all these meetings, we agreed to strengthen political and economic cooperation as well as cooperation in other fields. [passage omitted]

With Presidents Zhelev and Iliescu, we discussed regional issues and problems of bilateral cooperation extensively. Every country has an obligation to contribute to reducing tension and ensuring stability in our region, which unfortunately is experiencing a period of great turmoil at present.

With President Gligorov, we discussed relations between the two countries. I reconfirmed once again Albania's desire and determination to cooperate with Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] and Albania's great interest in the stability in that republic. I also insisted that the human and national rights of the Albanians there should be respected. I expressed my opinion to President Gligorov, and I continue to insist that the opening of high schools and the university for Albanians in Macedonia undoubtedly serves their participation in, and contribution to, the stability and prosperity of this republic.

On the second day of my stay there, I met Austrian President Thomas Klestil, with whom I exchanged opinions on how to increase cooperation between Albania and Austria. President Klestil is a distinguished friend of Albania, who even in the past encouraged cooperation, and encouraged Austrian investors to come and invest in Albania. He is still working in this direction, and this year he will visit Albania.

I also met and held a very positive and fruitful meeting with Mr. Richard Holbrooke, who visited Albania three weeks ago. We discussed the development of Albanian-U.S. relations and expressed pleasure at our achievements as regards these relations. Of course we highlighted the possibilities and prospects and the U.S. Administration's interest in encouraging U.S. investors and institutions that deal mainly with U.S. investments and investors to come invest in Albania.

We exchanged opinions with the chairman of the Israeli Knesset.

Concluding, I want to once again thank President Walesa and the Polish Government for the invitation to, and excellent organization of, this event.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Pavlov Views Army Budget, NATO, Russia

AU0202114595 Sofia 24 CHASA in Bulgarian 28 Jan 95 p 6

[Interview with Defense Minister Dimitur Pavlov by Lyubomir Denov; place and date not given; "Dimitur Pavlov: Army Will Develop Arms Business"]

[FBIS Translated Text] [Denov] Mr. Pavlov, do you see yourself as a military or a civilian minister of defense?

[Pavlov] I was the commander of the Bulgarian Navy and I think I know military life well. My knowledge will facilitate the implementation of my duties. I served in the Army 34 years, and despite the fact that I am now a civilian, I will always remain a soldier.

[Denov] How do you view civilian control over the activity of the military?

[Pavlov] Civilian control over the Army is something the democratic societies got used to many years ago. We cannot be an exception. This control is implemented both through the three branches of the government and through the right of every citizen to be informed about what happens in the Army. However, I think that our military became accustomed to civilian control more quickly than the civilians learned to distinguish between this control on the one hand, and, on the other hand, guardianship and taking over the functions of the operational leadership. There is a saying in the U.S. Army: "We are the servants of the taxpayers' money!"

[Denov] What military budget will you ask for? In August 1994 current Prime Minister Zhan Videnov told Lyuben Berov, who was prime minister back then, that the Bulgarian Army needs 50 billion leva for maintenance and 92 billion for rearming.

[Pavlov] Defense is an expensive necessity that can almost never be fully satisfied. The issue in question is to achieve a reasonable balance between the needs of the army and society's specific possibilities. This year we will ask four times more than the 13 billion that were allocated last year. You must know that four or five years ago two-thirds of the military budget was used for the technical supplies for the army and only one-third for current maintenance. Last year 93 percent of the budget was spent on food and wages, and only 4 percent for modernization and rearming. For the time being we will have to choose between new weapons and people to be in charge of them. The world military experience has proven the priority of the human factor. We will continue to rely on the weapons we already have, all the more as the spare parts issue has been resolved to a large degree by the supplies we received from Russia and Germany. In addition, we hope that the revival of the military-industrial complex will facilitate the modernization of the Army.

[Denov] Would the Army continue to trade with weapons?

[Pavlov] It is not the Army that trades with arms but authorized structures of the Defense Ministry's Military-Economic Bloc. I see no obstacles to trading with arms if accepted international norms and the country's laws are not being violated. If there are markets and surpluses, why not? Why should we not sell our "Stursheł" [hornet], which is above the world level?

[Denov] Would the Defense Ministry look toward Russia or toward NATO?

[Pavlov] We will look both toward Russia and NATO. To think that we can avoid integration into the European structures is an illusion. On the other hand, Russia has been our ally for centuries. The issue is not about being "for" or "against" NATO but about the road along which we would march toward NATO. In addition, it must be remembered that 95 percent of our weapons were made in Russia.

[Denov] Would you continue the review former Defense Minister Boyko Noev began as regards anything related to the Defense Ministry real estate that has been sold or exchanged for apartments?

[Pavlov] This is the job of the prosecution and the courts. In cases in which it is proven that the law has been violated, the property must be returned. However, we would be cheating the people if it turns out that everything has been legal.

Rakovski Legion Said To Approve of Minister

AU0202130495 Sofia DUMA in Bulgarian 28 Jan 95 p 2

[DUMA PRESS report: "Rakovski Officer Legion Approves of New Defense Minister"]

[FBIS Translated Text] On 27 February Lieutenant Colonel Asen Furchilkov, chairman of the Rakovski Officer Legion, held a news conference at which he said that Dimitur Pavlov's 34-year Army service and performance as deputy defense minister make the choice of him as defense minister a logical act. Lt. Colonel Furchilkov pointed out that the Rakovski Officer Legion thinks the Army needs a budget of 30 billion leva in order to maintain its peacetime activities. The legion supports the establishment of the new department on moral-psychological training and communication with society that has been formed at the Bulgarian Army General Staff. However, the legion would protest if this department's payroll grows.

The legion thinks that at present the Gorna Banya Tank Brigade is in a state of misery and poverty. The water supply measures affect the unit's combat training. Since there is a shortage of antifreeze, the soldiers must daily heat tonnes of water for the equipment over primitive ovens. The Civil Defense Council must resolve this issue because the brigade is deployed in a low arid region, and there is no chance of finding any local sources of water, the Rakovski Officer Legion leader thinks.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Associate Membership of 'European 15' Signed

LD0102202395 Prague Radiozurnal Radio Network in Czech 1700 GMT 1 Feb 95

[FBIS Translated Excerpt] The Czech Republic has made yet another step toward its future full EU membership when the EU association agreement took effect today. Our country has become an associate member of the European 15, just like Poland and Hungary. To mark the event, Miroslav Konvalina asked Deputy Foreign Minister Pavel Bratinka for an interview. [passage omitted]

[Begin recording] [Konvalina] [passage omitted] Does the Foreign Ministry have any strategy in its attitudes to individual EU member countries? Does the Czech Republic favor any trends of thinking within the EU, or is it in favor of some more detached position?

[Bratinka] First, I would like to point out that there has not yet been any political discussion in our country as to what vision the Czech Republic should have of future European integration. This discussion has just been launched in the media, and the politicians are beginning to take stands on the issue. However, this issue has not yet become a full-scale item on the political agenda. In my view, it is premature to speak about stands taken by the Czech Republic. [end recording] [passage omitted]

Defense Minister Holan Views Army's Future

AU0102175895 Prague MLADY SVET in Czech No 4, 19 Jan pp 22-23

[Interview with Czech Defense Minister Vilem Holan by Jan Krecek; place and date not given: "Another Man Takes His Turn...."]

[FBIS Translated Text] [Krecek] Shortly after taking up your post, you said that [former Defense] Minister Baudys had also done some good. What?

[Holan] Messrs. Dobrovsky [Baudys's predecessor] and Baudys carried out, above all, the initial work of a civilian defense minister. The Army was divided into Czech and Slovak parts, and that was quite an achievement. The troops were distributed evenly throughout the Republic. Their offensive character was transformed into a defensive one, and the length of military service was reduced. If some mistakes have been made in all this work, it comes as no surprise to me. I occasionally jokingly compare the situation to a difficult hockey match, with new ministers frequently coming from the reserves' bench to take their turn.

[Krecek] What do you consider as your task?

[Holan] The basic tasks, such as the redeployment of troops, the reduction of military strength, and the change of command, have been done. The period ahead is a time for more subtle work. Specifically, this year I want to emphasize discipline and deal with the problems of tertiary military education. I also intend to draft a career structure.

[Krecek] Toward the end of December, the government adopted a military strategy plan until 2005. Could you outline its principles?

[Holan] First, it must be seen that the possibilities of a global attack have greatly diminished in the present world, and local risks, such as the war in Yugoslavia, are much more tangible. Moreover, terrorism is spreading in the world, and this, in a way, also includes the drug mafia. Our military strategy is to tell the world that this country wants to deal with these problems through peaceful, political means and that it is ready at all times to honor all of its obligations. The document also states that the Czech Republic wants an army that will facilitate its independent defense, but, at the same time, it is aware that such defense has real limitations, and, therefore, we need the anchor of an alliance. The third part deals with the process of building the Army—what forces constitute the Army and how it is organized. The document describes it as a semiprofessional army and requires it to be nonpartisan and armed with conventional weapons.

[Krecek] Why does the Czech Republic need to join NATO at all?

[Holan] In addition to being aware of the limitations of our own defense forces, we want to be part of Europe. This then leads to the duty to do something for Europe, to take part in protecting of its values.

[Krecek] What does this mean specifically for us?

[Holan] Participation, for instance, in NATO peacekeeping forces. There is also the air defense. Such a small country as ours cannot build such a thing completely on its own. It is too expensive for a small country. Air defense is nowadays an affair of larger regions. Therefore, we can very well imagine joint coverage of airspace.

[Krecek] Joining NATO also means that an attack against a NATO member country is the same as an attack against the Czech Republic. Does this mean that, in the event of an attack against Turkey, Czech soldiers would go to assist the Turkish Army?

[Holan] Formulated like this, it sounds awkward. It is true, although nothing like this has yet happened in the history of NATO. One must know how NATO works. It should not evoke the traditional association of titanic armies fighting on the front. It is not like that today. There are small, specialized units such as our chemical warfare unit in the Gulf.

[Krecek] An extension of civilian service is currently being considered and the establishment of commissions to assess the justification for refusing to serve in the Army. What is your opinion on this? You have said in an interview that, when you were drafted, you were

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

unhappy about having to serve in a Warsaw Pact army. After all, even today, there may be some young people who will oppose the draft because of the Army's political orientation toward NATO.

[Holan] I have not thought of that. It is an interesting idea. Yes, there might actually be such a person, not only those who refuse conscription for reasons of religion or conscience. Regarding civilian service, I believe that there may be reasons for a young person not wanting to join the army. It may be that he does not want to take up arms. I can also imagine weak people who simply would not be able to cope with military life. Nevertheless, such refusals must be honest. It concerns me that people may want to avoid military service purely for reasons of comfort. Although I do not like the idea of commissions in principle, I agree with the prime minister's view. If someone does not want to do military service because of his convictions, he must be able to express this. That is manly. Not defend it but say: I hold such and such an opinion, and therefore I do not want to serve in the army.

[Krecek] Who will decide on whether the reason is justified?

[Holan] That will be defined somehow. I am really not in favor of a commission, but I would like it if, when someone says, "I do not want to serve," he is fully aware of what he is saying.

[Krecek] What about the compromise of serving without arms?

[Holan] If I consider this for a while, I can think of certain parts of the Army that do not engage in combat but rather service combat units. The problem is that we are preparing soldiers for the dangers of war, and I have no idea how these people would be treated in actual practice. Otherwise, of course, there can be soldiers without arms in kitchens, for instance, behind steering wheels, or doing general cleaning duties.

[Krecek] What will the innovation be like that you are in the process of preparing: a humanitarian service in the army—that is, the introduction of ombudsmen to whom soldiers can turn with their problems?

[Holan] The basic idea has been around for some time, and we returned to it after an analysis of problems with bullying. There are chaplaincy services in many armies with chaplains of various churches. We have different traditions. Such a service must be more general than just religious in character. We have held talks with various experts and have concluded that this person should be a pedagogue, a psychologist, or a lawyer, and clergymen are not ruled out. It should be a person capable of solving problems of newly matured young people. It is an experiment that we will run for six months and then assess the effect.

[Krecek] Why do you not consider the full profesionalization of the Army but rather just semiprofessionalization?

[Holan] I believe that in the future we will progress toward such a professionalization, above all because the more complex the weapons, the less the possibility of mastering them in just a year. Moreover, take the instance of the attack against the guards. Crime today is of a more professional nature, and, if the soldiers are to face a terrorist group, they must be well prepared. This, however, cannot be achieved in just one year.

[Krecek] The concept does not expect full professionalization before 2005. Why is it not even possible to professionalize the army within 10 years?

[Holan] It is, above all, a matter of finance. It is simply not possible to do it at once. We must also train the reserves so that the remainder of the male population is able to bolster the strength of a small professional army.

[Krecek] So, when could military service be abolished?

[Holan] Such questions are very awkward. I feel, however, that we could have a fully professional army within 15 to 20 years. The concept does not make such predictions, but it does not rule out the possibility of a further reduction in the length of the service. Nevertheless, the army has also an educational value.

[Krecek] How do you see this educational contribution of military service?

[Holan] Before a young man is drafted, he is in the care of his parents. He is catered to, lives in comfort, and is not exposed to any demanding situations. Then there comes a change. The boy is torn out of his little nest, learns to behave in the community of men and defend his own interests, and comes to terms with discipline.

[Krecek] There have been reports in the press that bullying might result in dismissal from the Army.

[Holan] This was only one of several ideas, and we were rather taken aback by the negative response from the press. We thought that a bullying soldier is one who is not mature enough to be a part of a community because he flagrantly tramples over human rights, which is condemned in any society. It may not be a traditional approach, but it seems to us to make sense that, if a person does not respect human rights, he should be returned to his family so that his upbringing can be completed. But, if this idea does not prove feasible, it will no longer be pursued.

[Krecek] You took up your post on your very birthday. Was it a good or a bad present?

[Holan] That can hardly be gauged. It is a tremendously difficult job, where failure is seen immediately, but success is only manifest after several years.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Envoy Notes Russia's Reaction to New Government

AU0102205595 Bratislava SLOVENSKA REPUBLIKA in Slovak 28 Jan 95 p 6

[Interview with Sergey Yastrzhembskiy, ambassador of the Russian Federation to Slovakia, by Jozef Janto; place and date not given: "We Actively Seek More Effective Ways of Mutual Relations"]

[FBIS Translated Excerpt] [Passage omitted] [Janto] We would appreciate it if you told us your opinion on Slovak-Russian relations. Are you satisfied with their standard? We have in mind not only the economic sphere, but also other, particularly intellectual, ones (culture, education, and so forth).

[Yastrzhembskiy] As far as Russian-Slovak relations are concerned, I am very pleased by the interest in both Slovakia and my home country in the prospects of bilateral relations between our two countries. Healthy, pragmatic interests that are freed of ideology and take into consideration the future of our cooperation, particularly in the economic sphere, are moving into the foreground. At the root of this perception lie the objective needs of the two countries' economies, proceeding from many years of experience from cooperation between the Slovak and Russian industries. We see growing interest in cooperation, in particular, among the leading players on the market and in the economy. Even politicians take note of these facts, whether someone likes it or not.

If I am to briefly characterize our economic relations, the 1994 results demonstrate a rather positive trend. Russian exports to Slovakia went up 2 percent, while Slovak exports to Russia increased 6 percent. Trade turnover reached $1.5 billion. The number of Russian tourists, particularly within the framework of so-called health tourism, has visibly increased, contributing $5-7 million to the Slovak economy. New air links have been inaugurated—for example, between Moscow and Kosice. There exist the first examples of cooperation between the two countries' banks. Present-day Slovakia occupies a firm position in Russia's trade. Active search continues for ways of eliminating the disequilibrium in mutual trade, increasing Slovak exports to our country, and building the most effective mechanisms of mutual relations in the banking sphere. The signing of an agreement (in June 1994) on regulating the indebtedness of the former USSR and the Russian Federation toward Slovakia was a significant event. For the first time after becoming independent, our countries acknowledged mutual financial claims and outlined ways of repaying them. Last year Russia imported [as published] the first $180 worth of goods that were charged to the debt account.

The task of equalizing debts requires, in my opinion, the search for, and adoption of, bold and nonstandard solutions on both sides. The same holds true for the entire market and economic sphere. The period of economic plans and barter deals forced by the state upon companies is a matter of the past. This is why Moscow has reacted very positively to the active steps and constructive attitude of the new Slovak Government, which sees in Russia a strong market and economic partner. [passage omitted]

[Janto] Prime Minister Chernomyrdin will pay a visit to Slovakia. What can we expect from his visit?

[Yastrzhembskiy] I will reply directly: Both sides are preparing actively for the first visit by the prime minister of the Russian Federation to the Slovak Republic in the history of our relations, even though the exact date of the visit is not known at this moment. Without going into detail, let me say that, during the Russian prime minister's stay in Slovakia, the two sides would like to sign a whole package of intergovernmental agreements and assess a number of large-scale cooperation projects. It is possible that, besides official contacts and talks, the Russian prime minister will meet with leading businessmen of your country and pay a visit to one large Slovak enterprise.

I am pleased that the visit is being prepared dynamically and purposefully, which reflects the two countries' desire to guarantee its good results and achieve specific practical agreements.

Foreign Minister on CE Minorities Convention

LD0102212095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1730 GMT 1 Feb 95

[FBIS Translated Excerpt] Today at 1300 in the foyer of the Palace of Europe in Strasbourg, Slovak Foreign Minister Juraj Schenk signed the Council of Europe [CE] framework convention on minorities. In Slovakia, basic European regulations concerning minorities' rights have been demanded for a long time, particularly in connection with the objections of the ethnic Hungarians. Our editor Alena Michalicova asked Foreign Minister Juraj Schenk in a telephone interview whether the framework convention on minorities would be obligatory for all of the members states of the European Union:

[Begin recording] [Schenk] This framework convention on the protection of minorities' rights represents the current standard that could have been adopted in Europe. [passage omitted]

[Michalicova] According to Mrs. [Tarja] Halonen [former Finnish justice minister], Slovakia has been able, on numerous occasions, to provide an example for other European countries. Are there any new obligations for Slovakia resulting from signing this convention? Is there, for instance, any part of our legislation that will have to be changed in this context?

[Schenk] No. The issues covered in the framework convention are already a part of our legislation. The

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

acceptance and application of this document does not, in our case, result in any further concrete measures.

[Michalicova] Mr. Minister, while in Strasbourg, you also met Hungarian Foreign Minister Laszlo Kovacs. The matters discussed should have primarily involved the issues debated during the meeting of the Slovak and the Hungarian prime ministers in Budapest last week. This also involves issues concerning the preparations of the interstate agreement. Have you progressed any further in this matter?

[Schenk] Our meeting was strictly of a working nature. We exchanged the minutes from the prime ministers' meeting, and we agreed on how to implement the first steps.

We agreed that, in the relatively near future, which is, according to the promise given by the Hungarian side, at the beginning of next week, groups of experts should meet in Budapest to assess the proposals made by both parties and to take further steps in the development of the documents already agreed upon.

We also expressed our request to specify a time schedule for all necessary steps so that we manage to complete the task resulting from the prime ministers' meeting before the set date of 21 March 1995.

[Michalicova] Let us return to the CE framework convention on minorities. To what extent will the fact that the convention was signed by both Slovakia and Hungary reflect on the preparation of this interstate agreement between our countries?

[Schenk] I think that it is one of the fundamental things. Today, when we signed the framework treaty, apart from other things, we carried out a symbolic gesture that was a part of our agreement from Budapest. It means that we went almost hand in hand with the Hungarian foreign minister; we signed the convention together, and then we shook hands. However, the important fact remains that this framework convention should be incorporated in the basic treaty and should represent the essential framework, the essential standard, concerning these issues on a bilateral level that is in our basic treaty with Hungary. [end recording]

Ethnic Hungarian Head Views Planned Basic Treaty

AU0102180495 Budapest UJ MAGYARORSZAG in Hungarian 1 Feb 95 p 3

[Interview with Coexistence Political Movement Chairman Miklos Duray by Peter G. Feher; place and date not given: "Miklos Duray on the Hungarian-Slovak Basic Treaty—The Common Fate of Documents"]

[FBIS Translated Text] After Prime Minister Vladimir Meciar's visit, the issue of the Hungarian-Slovak basic treaty that is now being prepared raised doubts in many people. Uncertainty was especially created by the plan that the protection of national minority rights would not be included in the basic treaty but would, instead, be laid down in a separate document that is closely linked to the above treaty. We interviewed Miklos Duray, chairman of the Coexistence Political Movement, on these issues.

[Feher] When and in what form did the Hungarian official bodies inform the Hungarian parties in Slovakia on planning to take such a step? Had you been consulted by Hungary?

[Duray] Through the Office for Hungarians Beyond the Border, the Hungarian Government is in constant contact with the Hungarian parties in Slovakia, and it informed them about the draft basic treaty. The current government in Hungary continued taking on the commitments that were promised by the Antall cabinet in a government decree issued on 18 August 1992. The essence of this is that they support all endeavors of the Hungarians beyond the border that are formulated by their legitimate representatives and are in accordance with European integration. The Horn Cabinet remained faithful to this, and it consulted with the leaders of the Hungarian parties in Slovakia in connection with the basic treaty, and even before the Prime Minister Horn's visit to Bratislava in August 1994. The Hungarian officials also informed us about the form of the basic treaty as they envision it. We even discussed some details with each other. We do not consider it unacceptable that the so-called national minority issue will have a brief section in the basic treaty. Only the basic principles would be included in it, and another document would be linked to this as an inseparable part that would deal with this issue in detail. We could say that the documents share a common fate.

[Feher] Does this mean that you agree with the solution in this form?

[Duray] We agree with linking the two documents to each other in such a way that they cannot be separated. This means that the two documents would be signed at the same time, and, if one side does not ratify them both, the other side must not ratify them.

[Feher] Do you not feel that this solution will be a success for Slovak diplomacy?

[Duray] We could only interpret it this way if the two countries made a basic treaty with each other that would only refer to the inviolability of borders and that the two countries do not have any territorial demands from each other, and all this was left on the level that the current draft agreement is within the Council of Europe. If it was left on this level, this would be unacceptable for us.

Kozlik Outines Economic, Financial Policies

AU0202122395 Prague EKONOM in Czech No 4, 26 Jan-1 Feb 95 pp 45-47

[Interview with Sergej Kozlik, Slovak deputy prime minister and finance minister, by Marcela Zabojnikova; place and date not given: "Every Country Goes Its Own Way"]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[FBIS Translated Text] [Zabojnikova] The most discussed current issue is the 1995 state budget. It was compiled by the former government, but the present government did not identify with it, and the provisional budget should continue until March. Did it have to come to this? Will the three-month interruption not be to the detriment of the development of Slovakia's entire economy?

[Kozlik] The whole second half of 1994 was oriented toward a provisional budget. The draft budget compiled by the former government in August 1994 and later amended in September proceeded from the hypothesis that the level of revenue in 1995 would be at the level of 1994 but, on the other hand, that expenditure would be 9 billion korunas [Sk] higher than in 1994. At the same time, this sum, in essence, represents the difference between the 1995 debt service, when it should amount to roughly Sk35 billion, and the 1994 one, when it represented Sk26 billion. So, no dynamism in revenue was established in the draft budget, and sufficient dynamism was not expressed even in the development of the gross domestic product [GDP]. It was based merely on certain trends, but, as a matter of fact, it did not proffer any grounds and impulses for dynamizing the economy.

The draft budget also envisaged that half the debt service—roughly Sk16 billion—would be tied to the National Property Fund [FNM]. However, the FNM is in a situation in which it has a loss of some Sk7.0 billion and is, in essence, bankrupt and insolvent. So, following criticism from us, when we were still in opposition, the government changed its tactics and withdrew the Sk8.0-billion debt service from the FNM and considered covering it with state bonds. However, again this is nothing other than putting things off until a later date.

[Zabojnikova] There are rumors about a catastrophic situation in the health-care, education, and social policy departments. What help will they get from the state budget?

[Kozlik] I would certainly not say that the situation is catastrophic. As far as the departments that you have mentioned are concerned, it is necessary to realize that they are going through a period of transformation, like the whole of society. However, they have huge internal reserves. For the first time, new mechanisms have been created for covering expenditure, especially in the health-care and social spheres. Compared to the Czech Republic, we have already uncoupled the insurance companies that operate within the social, health-care, and pension spheres from the state budget, which only provides cover for their costs. Therefore, we have this notorious step behind us, a step that means major risks, and, at the moment, we are simply fine-tuning these insurance companies' entire financial system.

The economy can only "cope with" the volume of health-care and social relations that it itself can sustain. As far as education is concerned, we are trying to parameterize expenditure there gradually. There are a number of minor injustices in this department from the past. For example, the expenditure issue must be resolved according to the number of pupils, or, rather, the expenditure limit per pupil must be parameterized.

[Zabojnikova] Most recently, the towns and communities have let it be known that less attention is being given to their budget.

[Kozlik] The towns and communities now possess a considerable amount of property that was transferred to them from the state, and this trend will continue. For example, the water supply and sewage systems will shortly be transferred into the communities' ownership. It is up to the communities to conduct better business with their property and to create better prerequisites for business activity because businessmen provide a background of resources for them. There are massive nonproductive expenditures in the housing sector. The towns and communities are procrastinating with the privatization of apartments; for example, we recently discussed how they should be—literally—forced into it. There are housing enterprises in which 80 percent of the costs are accounted for by wages payable, which is unjustifiable.

[Zabojnikova] Which steps taken by the former government in the economic sphere will you want to correct and why? Will this involve something other than the 38 privatization projects that were suspended and are awaiting realization or elimination?

[Kozlik] First and foremost, we have to correct the distinct passivity shown by the former government. This is the most major correction because this was a government that entered office for a limited period and whose main aim was to win the parliamentary elections. Therefore, before the elections, it mainly tried to make itself visible by drawing on resources rather than looking for ways of dynamizing the generation of resources for the future. It expended far too many resources on popular measures that were unneccessary—on completing and reconstructing theaters, on increasing salaries, and so on—while much less emphasis was placed on hard work, which should provide the stimuli. Therefore, we are now focussing great attention on implanting those motivating measures that have to be molded in a legislative-legal form and have to be mastered matter-of-factly and chronologically so that, by 1 April, they can begin to dynamize the state budget and the entire economy and, at the same time, curb inflationary pressures. All of this must take place in association with the National Bank of Slovakia [NBS], with which the former government also did not manage to find a common language. Whether this concerns restructuring the debt service, paying interest on it, or finding a means of financing public investments from extrabudgetary sources, the issue involves a huge array of things that we intend to come to grips with shortly.

[Zabojnikova] Anxiety has arisen in certain circles that the new government would prevent the influx of foreign

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

capital and investment to Slovakia. Is this anxiety warranted? Would this apply also to the entry of Czech capital to Slovakia?

[Kozlik] Czech capital is just as interesting for us as U.S. capital, for example. Naturally, when capital from nearby or neighboring countries enters Slovakia, it is necessary to see to it that no interests are involved that might, for example, lead to winding down some activities in the Slovak Republic and be motivated solely by the endeavor to occupy the market. Slovakia wants to make the greatest possible use of its domestic production potential. However, these resources and potentials are not sufficient for us to restructure the economy on our own, and we must, therefore, establish conditions for the influx of foreign capital. However, we want foreign capital to enter Slovakia in a purposeful way and not to represent the sellout of lucrative Slovak companies, many of which are self-supporting, sell 80 percent of their output on Western markets, and are capable of organizing their own development. Foreign capital should enter companies requiring technical and technological modernization. Personally, I include foreign loans as a form of foreign capital influx. While we want to limit foreign loans guaranteed by the state because Slovakia is gaining credibility abroad and certain activities will no longer require state guarantees, on the other hand it is possible to develop by means of foreign loans some sectors such as telecommunications, transit matters, the construction of gas reservoirs, and many other lucrative and promising activities.

[Zabojnikova] Domestic entrepreneurs' dissatisfaction is chronic. Are their complaints justified, in your opinion? Can they expect some help from the government, such as, for example, changes in taxation policy?

[Kozlik] Last year we reduced the corporate income tax from 45 to 40 percent, at a time when the Czech Republic reduced it to 42 percent.

On the other hand, we want to motivate entrepreneurs to invest. We want to develop public investments but, at the same time, we want to establish a proinvestment climate for entrepreneurs. We intend to move in the same direction as the Czech Republic—that is, to adopt measures making it possible to write off a part of realized investments from the tax base. In the Czech Republic, this is 10 percent, which is the same percentage we would like to have. We also want to address the issue of possibly considering in the tax base the pooling of entrepreneurs' resources for research and development and for the establishment of trade affiliations abroad.

[Zabojnikova] The same chronic disagreements exist between the government and the trade unions. While some problems have been resolved, more or less, the dissatisfaction persists. How realistic are the trade unions' demands, in your opinion, and which of their expectations cannot be fulfilled?

[Kozlik] One might say that relations between us are being clarified. We have given the trade unions a certain hope in that we do not want to formulate development policy as something that runs counter to transformation policy. Development policy and transformation policy can be in agreement. It should be easier to negotiate with the trade unions within the framework of such a policy. When we want to expand employment and create jobs, we are also able to implement a more rigid social policy against those who do not want to work. We are also able to discuss with the trade unions the problem of wage regulation because, when we are giving impulses for economic recovery, we also have to erect certain barriers against inflation. When discussing with the trade unionists matters on which we were unable to agree with the preceding government, we do not say that we a priori disagree. We only say: We want it this way because we are offering something else to offset it. The relationship between us is one of partnership; it is not a one-sided relationship. When negotiating on such a platform, it is easier to meet the other side halfway. This holds true for negotiations with any trade union.

[Zabojnikova] What will be the largest investment projects in Slovakia in the period to come?

[Kozlik] The largest investment projects include the construction of the Bratislava-Zilina-Kosice highway; the completion of Gabcikovo, especially of a new energy unit with a very fast return on capital; and the Mochovce nuclear power plant, with respect to which there exist very close links to the Czech Republic as the main subcontractor. Mochovce represents, I think, a very attractive order for the Czech Republic. Other major investment projects comprise the reconstruction of some railroad sections, especially in areas where this is urgently needed. For example, the reconstruction of the Ziar nad Hronom aluminum plant, which will substantially increase its capacity, will end this summer. For material supplies to function, it is necessary to complete the construction of a railroad hub [zeleznicni uzel] in that city. Another large-scale investment project is the modernization of telecommunications. We would also like to find ways of revitalizing housing construction in centers of urban development, ways of bringing to life urban quarters as residential areas for citizens able to pay the required rent. This applies to Bratislava as well as to other Slovak cities.

[Zabojnikova] You should say a few words about the prospects of Slovak agriculture, a branch of the economy that is heavily subsidized by the state in all foreign countries. Recently, agriculture in the Slovak Republic found itself in a situation in which farmers could not even afford to buy inputs and were grappling with the most basic difficulties. What help will farmers get from the state budget and the new government?

[Kozlik] I can say that, of all of the postcommunist countries, Slovakia has the least fragmented agriculture. We have managed to maintain large-scale production to the greatest extent [of all of the postcommunist countries], and I believe that, gradually, this fact will start

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

reaping fruit. By adopting a system of promissory notes to cover the needs of agriculture, we achieved the first fundamental turn as early as 1993. This positive turn continued also in 1994, and, in defiance of the great drought that afflicted Slovakia in both 1993 and 1994, agriculture has made headway. Whereas in 1993 some 90 percent of agricultural businesses operated at a loss, last year their number did not exceed 50 percent. The concept for agriculture stems from the period of Meciar's previous government, and we will keep fine-tuning it.

[Zabojnikova] Slovakia is often portrayed abroad as an almost separatist country that sets no great store by good relations with the IMF, the World Bank, and similar foreign institutions. Could you say what is and will be your attitude toward those institutions?

[Kozlik] It may very well be that some people regard Slovakia as a stubborn country because, to a certain extent, it is pursuing its own path. However, it has not been confirmed to this day that this path is not good. From the viewpoint of dynamism and the accomplished specifications, Slovakia already holds first place among postcommunist coun ries in the OECD table, ranking ahead of even the Czech Republic. Another matter is that these specifications are very fragile and, as regards the decline of investments, even serve as a serious warning. I am thinking here mainly of measures that we intend to focus on reviving investment activity. In terms of the concept of economic policy itself, we are not always at one with representatives of international financial institutions, who tend to assert the criteria of advanced economies, which do not always correspond with the needs and possibilities of economies undergoing transformation. Let me recall, for example, that, at the beginning of 1993, the IMF came up with the demand that we devalue the Slovak koruna 30 percent, which we categorically rejected. And half a year later, they already agreed with a 10-percent devaluation. But I believe that even that devaluation was not necessary.

[Zabojnikova] What is your opinion on the continuation of the customs union?

[Kozlik] I have never denied that I belong to the supporters of the customs union. I believe that, in the period of transition in which the two republics split up, in particular, the customs union played a significant role because it "staked out" the market space between Slovakia and the Czech Republic, which is important for both states. At any rate, I am an advocate of a certain refinement of the customs unions, rather than of poorly thought-out steps that would lead to its quick abolition.

[Zabojnikova] You have mentioned the clarification of some problems and issues between the government and the National Bank of Slovakia [NBS]. What did you have in mind?

[Kozlik] The relationship between the Slovak Ministry of Finance and the NBS cannot be confined to how much money the NBS surrenders to the state budget. I am an advocate of the search for mechanisms leading to a correct relationship between what are, after all, the two basic financial institutions of the state. This concerns mainly the issue of the discount rate and the harmonization of monetary and budgetary policies. But they must also discuss the system of financing public investment projects, the interest rates for the volume of money tied up in them, and the ways of making this system work. Furthermore, there is the question of paying interest on the state debt and the whole problem of dealing with the servicing of the debt in general. Right now, the NBS charges 17 percent interest on the state debt, which is disproportionate. On the other hand, we intend to adopt the pledge to achieve within a realistic time frame a balanced budget management so that we need not burden the future with a growing state debt. Yet the number of unsolved problems is much bigger still—the question of bank supervision, the functioning of commercial banks, and mutual links between the NBS and the Ministry of Finance. The questions of dividing former federal property, unfreezing our claims abroad, and many other problems, too, still have not been resolved in some ways. We ha[illegible] return to a constructive tone in addressing those [illegible].

[Zabojnikova] Three regional revitalization centers have been set up in Slovakia in support of economic development and lowering the rate of unemployment. Do you ascribe any importance to these centers?

[Kozlik] All these ideas are surely interesting, but they are not decisive from the viewpoint of target solutions. It is always the big economy that is decisive and that subsequently also serves as the catalyst of regional impulses. When we build a highway from Bratislava to Kosice, via Zilina, this does not mean that we are not providing any incentives for the creation of jobs in Komarno or some other district because construction projects of such magnitude draw labor. And labor must follow jobs. In a market economy, this cannot be otherwise. When we want to deal only with the regional aspect of unemployment or some other economic problem, we fail to see the tip of our own nose, so to speak. Such solutions produce stalemate situations. Each such effort is welcome, however, and I would not want to call it into question.

[Zabojnikova] Prime Minister Vladimir Meciar recently stated that the transformation of the economy was taking a different course in Slovakia than in the other postsocialist countries. How does it differ, and why is it the case?

[Kozlik] I would say that each of the postsocialist countries is following its own path. In privatization, for example, Slovakia is taking a path different from that of the Czech Republic, and the same holds true for the financing of public investment projects. This is due to the development of the state budget but, self-evidently, also due to the different economic situations that existed at the start of the two independent states. It is possible

This report may contain copyrighted material. Copyin and dissemination is prohibited without permission of the copyright owners.

that, in contrast to the Czech Republic, we speak about many issues more openly, while the Czech Republic is better at concealing some methods, which it is using anyway. The future will show a great deal—for example, how the gigantic scale of portfolio privatization and the scale of property that ended up in the hands of foreign owners via direct sales will make itself felt in the Czech Republic, or, on the other hand, how the relatively greater extent of privatization by employee-owned shareholding companies will manifest itself in Slovakia.

One thing we have in common, in my opinion, is that both of our countries could be the first to advance to the gates of the European Union. I do not think this about Hungary and Poland, both of which are having enormous problems, be it with their balances of trade and payments or with their state budget deficits. In short, the development of the economies in those two countries is far from being as positive as in the Czech Republic and the Slovak Republic, in my opinion.

Ducky Views 'Strategic' Firms' Privatization

AU0102210995 Bratislava NARODNA OBRODA in Slovak 30 Jan 95 pp 1-2

[Interview with Slovak Economy Minister Jan Ducky by Alica Durianova; place and date not given: "Ducky: I Do Not Want To Be a Policeman, but I Am Not Going To Stand Idly About Either"]

[FBIS Translated Text] Bratislava—For Economy Minister Jan Ducky, being minister is nothing new. Our interview with him concerned his resolutions regarding the execution of ownership rights in state companies and in shareholding companies in which the National Property Fund [FNM] of the Slovak Republic holds a majority stake, the "sideline" business activities of managers of state-owned companies, and his personal view of the privatization of strategic companies.

[Durianova] What are your ideas regarding the Economy Ministry's attitude toward state enterprises within the ministry's jurisdiction?

[Ducky] The state must definitely heighten emphasis on the execution of its rights as owner. In a number of cases, this also applies to shareholding companies, the majority in which is owned by the FNM. This is quite clear in the case of state enterprises. Their directors have until now been leading very comfortable lives. Many of them did not give much thought to the efficiency and profitability of their enterprise, and no one demanded from them the fulfillment of even the most fundamental duties. At the same time, their salaries are respectable, and they travel all around the world, while the results of these travels are not reflected too strikingly in the prosperity of their enterprise. No private owner and no manager of a private company could afford this.

[Durianova] Leaving aside quick privatization, you avail yourself of only one weapon against such phenomena: personal sanctions. The analysis of the subjective and objective causes of the economic situation of an enterprise is carried out by civil servants, who, too, can have a very subjective view of the director's measure of responsibility for the situation. How are you going to implement the tightened supervision of enterprises?

[Ducky] We will base our approach on their actual economic results. If an enterprise is operating at a loss and is not reducing the loss, or if it is making hardly any profit and is not increasing the profit, this is a signal that the management does not have results and I am not going to like such a management. I have already let this be known to everyone. I do not aspire to dirigisme [dirigismus], I am not going to ask them to produce monthly reports, but, as long as the state is the owner, it must look after its property. And it is out of the question for the management to veto such measures through its own share in the shareholding company in which the state has a stake. Proprietary and managerial functions are separated even in large global corporations.

[Durianova] The Association of Workers of Slovakia [ZRS] expects you to do something about managers who have set up private limited liability companies that operate at the expense of the parent enterprise. Which specific steps do you intend to take in this sphere?

[Ducky] When I find out that the manager of a state enterprise owns a firm that is involved in the same line of business, he will be given a choice and will have to decide very quickly—either the enterprise or his firm. And, should we ascertain that his firm is bleeding the factory white, I will know no pardon.

[Durianova] Do you avail yourself of a staff to carry out such inspections for you?

[Ducky] I am not going to do it through a ministerial staff. I will start in large enterprises, using a system of exemplary punishments and precedents. As soon as I find out something, I will dismiss the manager in question—and the others will surely change their minds.

[Durianova] To what degree will you be willing to accept the ZRS's view that strategic enterprises should not be privatized in the next five years? Within the jurisdiction of your government department, this includes the gas industry, the transit and refining of oil, the production and distribution of electricity, and the arms industry.

[Ducky] I have always spoken about a horizon of three to five years. I do not see in privatization the complete severance of ties between the privatized company and the state. If the East Slovak Ironworks account for 30 percent of the Slovak Republic's foreign trade turnover or if Slovnaft generates an annual profit of almost 3 billion korunas, it is obvious that we cannot lose sight of them, but also of other similar enterprises that decisively influence the development of the entire national economy. In the period of transition between denationalization and the completion of privatization, I will

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

definitely insist on the realization of the intention initiated by my predecessor, Mr. Magvasi, that the founding ministries execute ownership rights also in selected shareholding companies that are, or will be, in the ownership of the FNM. This will not extend to the right to receive dividends, which will continue to be paid to the FNM's account.

[Durianova] You are known as a not very great supporter of the influx of foreign capital from neighboring states into such strategic companies. Let me ask you in this context about your view of Russia's interest in the privatization of the gas industry, energy companies, or the transit of crude oil.

[Ducky] I would like to specify this. I am opposed to any privatization of the existing transit gas pipeline, which is financially self-supporting. But if it were only up to me, I would be in favor of reaching an agreement with the Russian Federation that, if they increase their deliveries to West Europe by another 20 billion cubic meters [of natural gas annually], we would lay the pipes for them and here I would even accept privatization. Otherwise, we have assumed a position of principle on this issue. We guarantee to the Russians that there will be no privatization without them, and we have promised the French that, if Ruhrgas is involved, they, too, will be given a share. As for capital from neighboring countries, let me say only this much: I am not opposed to it, but our partners must not be those who want to heal their wounds at our expense. If their firms are in the red and want to privatize our most profitable company—this is not how things are going to work.

[Durianova] You are probably thinking of [the Austrian] OeMV [oil company] and Slovnaft.

[Ducky] That is not the only such example.

[Durianova] What is your concept for privatizing Benzinol?

[Ducky] I advocate the sale of a significant portion of Benzinol shares to Slovnaft. Even abroad, the production of fuels is usually coupled with their distribution—in Shell, OeMV, Agip, or Total. Objections to the existence of a monopoly are unfounded in this case. Of course, even here I advocate permanent state participation—between 34 and 51 percent. I do not know why we should leave such companies. They will self-evidently be managed by private owners, but the state can still retain a share in their proceeds.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Finance Minister Explains Reasons for Resignation

LD3101203195 Budapest Kossuth Radio Network in Hungarian 0545 GMT 31 Jan 95

[FBIS Translated Excerpt] [Announcer] As is well known, Finance Minister Laszlo Bekesi resigned from his post at the weekend meeting in Siofok of the parliamentary group of the HSP [Hungarian Socialist Party]. [passage omitted] Peter Gyuricza managed to obtain an interview with him yesterday [30 January] during the break on the first day of the parliamentary session. [passage omitted]

[Begin recording] [Gyuricza] On the television program "The Week," Prime Minister Gyula Horn said the difference in views between the two of you was one of principle, and not personal. What are these differences of view?

[Bekesi] There are three basic issues, and these really are of a conceptual nature and not personal. The first is the question of whether corrections in the economic policy should relate, first and foremost, to strengthening stabilization, in view of the events of the past years, or whether we should try to step onto a different path—with faster growth; perhaps with a possible expansion of consumption—to try to achieve stabilization in this way, by a leap forward. My conviction is that there can be no foundation for this second version. Thus, what I consider essential in this is the consistent assertion—moreover: acceleration—of the original line. Our opinions on this diverge. I cannot really see the connection between the advertised modernization program and a rational economic policy. What I am afraid of—and hope to God it does not happen—is that this modernization program will sacrifice the unavoidable steps of stabilization, and that in the interest of an otherwise attractive and necessary image of the future, it might further harm the positions of the economic equilibrium that are in any case very acute, the dangers of which are now really incalculable. [sentence as heard]

The second set of issues is about whether the privatization strategy that will be asserted, realized in the form of a law, is the one that I find acceptable; or whether it will be a privatization realizing political viewpoints—government intervention, direct control—that I believe cannot fulfill the basic objectives. The basic objectives are that the country should obtain fresh resources, that capital earnings should grow, and that this should contribute partly to modernization and partly to financing debt.

Finally, the third matter is whether or not the existing work-sharing and role distribution can remain within the government. The essence of this is that the finance minister is the center of economic policy; that this kind of work distribution does not change with the creation of new ministries of an economic nature; that artificial counterpoints that will divide forces—where possibly contradictory concepts may cancel each other out and thereby curb unified government activity—are not created. A decision in this connection was arrived at with the prime minister's intention to create further such workshops and forums. In this accentuated situation, I find this decidedly dangerous.

[Gyuricza] Why did this conflict peak just now?

[Bekesi] [Laughs] I think it is because it was now, in connection with the six-month assessment of the government's work, that the prime minister went before the public with these intended changes.

[Gyuricza] In your view, how far could your resignation mean a test of strength in the life of the coalition?

[Bekesi] I do not think it does. After all, the decent, wise approach is that the coalition is not tied to people but to programs. Let us hope that the program will not suffer damage.

[Gyuricza] Will there be a person who will undertake a Bekesi program again? Or will we have to learn another new name, whose program they will try to realize?

[Bekesi] I very much hope that it will not be a program tied to a person, since the so-called Bekesi program is now the government's program, is it not? So the government program is the determining thing. I cannot today judge what changes it will undergo.

[Gyuricza] Why do finance ministers change so frequently in Hungary?

[Bekesi] Because politics usually expects two things of a finance minister, two things of which nobody is capable: to work a miracle; and if he cannot do that, then they make a scapegoat of him.

[Gyuricza] I talked to Peter Madai, the Free Democrat deputy, who said that in his view the next finance minister will also be de facto unsuccessful; and, moreover, that Hungary can have only unsuccessful finance ministers until the year 2000. How long will it be before Hungary can have a successful finance minister?

[Bekesi] Well, I think it could have one sooner than that if there were a coordinated, really consistent government approach in economic policy—one that would not cast glances to the right or to the left, one that would tread a path resolutely, one that would not expect short-term solutions but was a bit more patient and would not want—because that is impossible—to avoid the sacrifices that go with stabilization and transformation. Until this approach is adopted, the finance ministers will play the role of an expendable resource.

[Gyuricza] What will become of you after 1 March? Will you remain in the parliamentary group, for example?

[Bekesi] Yes, naturally. I am an individual deputy. I will of course continue with this. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Horn Views Economic Strategy, Coalition

AU3101210495 Budapest NEPSZABADSAG in Hungarian 31 Jan 95 pp 1, 9

[Interview with Prime Minister Gyula Horn by Pal Eotvos and Peter Vajda in Budapest on 30 January: "One Needs a Diagnosis Before Engaging in Crisis Management"]

[FBIS Translated Text] [NEPSZABADSAG] Mr. Horn! What happened in Siofok? Is there a Horn-Bekesi personal conflict in the background? Is there a conflict in economic policy concepts, including privatization, acceleration, or stabilization? The former finance minister....

[Horn] I read somewhere that Hungary does not have a finance minister. It does! It is Laszlo Bekesi until March.

[NEPSZABADSAG] The finance minister spoke of unbridgeable conflicts. Hungarian Socialist Party [MSZP] Deputy Chairman Laszlo Mate spoke of certain correctional steps in the economic policy. You claim the government is continuing to carry out its economic program. What happened?

[Horn] As for the conflicts, both of us stressed in Siofok that there is no personal conflict between us, even though our styles are different. Laszlo Bekesi and I understand each other's ideas and thoughts very easily. We also understand each other from half-words. However, there have often been problems in the system of our contacts.

There was also considerable difference in our concepts. There are a number of issues about which the prime minister should definitely be informed, and this does not take away from the finance minister's independence. For example, I should have been informed about the expected developments in the Agrobank issue. To give you an example, I was informed later about the steps taken, namely after the arrests had already taken place. Or take the latest issue: I regard the position of the National Bank as fundamental, from the viewpoint of Hungary's financial situation. I can hardly accept a situation in which the Hungarian National Bank [MNB] considerably increases the basic interest rate without holding a genuine consultation with either the Finance Ministry or the government. The government has the obligation to coordinate things with the MNB, be it the interest rate policy or economic policy, financial decisions, or the exchange-rate policy. And the MNB only has the obligation to inform us.

Things function with difficulty this way, because if the basic interest rate is raised by 3 percent, this will greatly affect the budget, including the budget burdens or the economic processes—namely: the areas in which the government has major responsibility.

[NEPSZABADSAG] I think your differences of views with Laszlo Bekesi were not limited to the MNB affairs alone.

[Horn] We agreed that the justice minister would declare whether the law was broken or not in the HungarHotels case. In other words, the justice minister was authorized to make a statement on the issue, and he did take a position. And then the Finance Ministry, or the finance minister, questioned the justice minister's conclusions.

[NEPSZABADSAG] Have the differences in style been more essential?

[Horn] As for the style, I cannot agree with the trend of constantly painting the situation in dark colors. Obviously, our financial situation is bad, but we have no reason to despair. Nor can I agree with the summary formulation of the Finance Ministry that Hungary is engaged in over-consumption. I do not know whether it is only a stylistic problem or the problem of dealing with the issues but, while the government did not receive any authoritative written information on the actual developments in 1994 and the reasons behind the situation at the end of January 1995, Finance Ministry representatives announced the need for a supplementary budget, already on 10 January. They do not talk about the composition of this budget deficit which, in my view too is a very serious problem. This must be examined, and therefore, I asked for a preliminary description of the actual 1994 situation for the upcoming cabinet meeting on 2 February. I also summoned the top financial, banking, and other officials for a meeting behind closed doors on 6 February to find out the reasons behind the current situation and, mainly, to find out what we can do to create financial stability. Mistakes have also been made in the sphere of privatization, and the main culprit is the government member responsible for this area.

[NEPSZABADSAG] If this is how the need to create stability emerges, the situation is difficult indeed.

[Horn] A serious financial crisis is threatening us. I did not say that this crisis has already reached us. I do say, however, that we must take this threat into account. We cannot disregard it and be idle.

[NEPSZABADSAG] According to certain information, serious warnings have reached Hungary, primarily from the United States and Western financial organizations: namely, that Hungary will become insolvent....

[Horn] Undoubtedly, it is a fact that the international financial world has manifested its concern. Hungary's financial balance is one factor behind these concerns, and the fact that the financial balance was worse than any predictions in 1994 only adds to this. We can also add, here, the increase in our budget deficit.... The financial world demands tough and drastic measures to handle this problem.

[NEPSZABADSAG] You say that the international financial world demands drastic measures. Is it correct to say that the size and pace of these drastic measures was one of the sources of the conflict between Mr. Bekesi and yourself?

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Horn] I must say I supported Laszlo Bekesi's proposals for the 1995 budget. And I supported him not only in the government but also in public, including the Interest Coordination Council. And on 28 January Laszlo Bekesi retorted, saying it was my obligation to support him. For me, the basic issue is the following: What can we do now, without knowing the real components and reasons of the actual situation? Where should we reduce the budget expenses? Should we reduce the modest budget support for the economy, including the export subsidies? Or should we further reduce the budget of various ministries? Should we considerably reduce the welfare expenses? Where?

I do not say that we must disregard all these things, or reject them, but I cannot give you a genuine answer before I see the aforementioned factors—and this is the greatest challenge facing the government. We must see these factors before committing ourselves to further very tough restrictive measures.

[NEPSZABADSAG] One can also read, from the evaluation of the Deutsche Bank, that the goal for which people are forced to renounce things is lost in the fog.

[Horn] This is one of the major issues for me. We also talked about this in detail in Siofok. This is where the modernization program and the preparations for joining the EU are connected with concrete economic and financial policy. In my view, the economic and financial policy is but one part of the modernization program, a part of the future image demanded by the people. I fully agree with the relevant conclusions of the Deutsche Bank. An economic policy program has been formulated in the Finance Ministry under the authority of Akos Balassa, a program that can be questioned from a lot of viewpoints.

There Is No Support Without Projects

[NEPSZABADSAG] From what viewpoints?

[Horn] First of all, this is not a basis for an economic policy; instead, it is a package of restrictive financial measures. We are far from saying that there is no need for restrictive measures. However, I also stressed in Siofok that no program had been formulated on the comparative advantages that must also be encouraged with state measures. There is no deliberate restructuring program on which sector or which area should be encouraged. It is not accidental that we still do not know this. That we cannot present the series of projects to the really large financial institutions and other foreign partners also adds to this. We can only receive support or finances if we present concrete development programs.

[NEPSZABADSAG] What, after all, is the "heart" or essence of the government's wishes?

[Horn] I can say that in one point: namely, that we must start from the premise of the EU requirements; and we can also include legal harmonization, economic policy orientation and restructuring, the dominance of private property, and dealing with public education in a strategic way. I also include here our relations with neighboring countries.

[NEPSZABADSAG] You mentioned the MNB. When can we expect the appointment of an MNB president? Did we hear correctly in your television interview yesterday that Mr. Suranyi's nomination is not yet certain?

[Horn] I think I dealt a little too much with this issue in my television interview. I only wanted to clarify a few points. One of them is the present situation that I also mentioned in the introduction: namely, that the government and the MNB are in an unequal situation.

The other point is that I cannot agree with the claim that we "have been dragging the nomination for months," a claim that appeared somewhere. Negotiations on this matter have been being conducted for a month—not months—and this is not a simple matter. The future MNB president will determine the long-term policy of the MNB. It is my firm intention to see a new finance minister, a new privatization minister, and a new chairman of the economic cabinet in February. The MNB will have a new president, and I would like to start the next period in March by having the issue of bank supervision settled.

[NEPSZABADSAG] You did not mention the European Integration minister.

[Horn] I also said in Siofok that I would definitely like to see such a minister without portfolio in the cabinet, but first we must create a very strong professional foundation for this in the coming weeks and months. I do not mean a new apparatus here; I mean the already existing foundation.

[NEPSZABADSAG] In other words, this would be a step taken later in time.

[Horn] Later, but the preparations can begin already.

[NEPSZABADSAG] In European countries, the president of the national bank enjoys considerable independence. The six years extend to the next government cycle as well. At the same time, it transpired from your observations made in the television interview yesterday that the independence of the MNB president disturbs you.

[Horn] It does not disturb me that he is independent. What disturbs me is that I should accept obligations and conditions in the name of the government, obligations that solely belong to the government, while the other side has no obligations whatsoever in this area.

[NEPSZABADSAG] Can there be personal guarantees here?

[Horn] I think Gyorgy Suranyi can be a guarantee. At the same time, we would like to create cooperation between the MNB leadership, the Central Bank Council, and the government. In other words, coordination should be

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

obligatory not only for us; they too should have some kind of obligation. This is why the law on the MNB should have already been modified. This does not diminish their sovereignty.

The Final Limit of Coordination

[NEPSZABADSAG] We are talking in the hours before the meeting of the Coalition Coordination Council. We know that your coalition partner strongly criticized your position in Siofok, and they connected Laszlo Bekesi's departure and the creation of a privatization ministry with the HungarHotels affair. To what extent do you regard the coalition as stable? Do you think that your coalition partner will leave you alone now, or in the coming weeks or months?

[Horn] In our experience, coalition partners often deal with one another rather than with the country's affairs. This is not a good thing. In addition, they do it in public. There are people among the coalition partners who sometimes talk as if they were playing the role of opposition within the government. It is difficult for me to accept this. There can be, and there will be controversial issues between us, but it would be good to clarify these issues first, and only then make statements about them. It is not good when the coalition partner suggests to the international financial or political world that they are justified in losing confidence in Hungary. I do not wish to talk too much about the HungarHotels affair. In my opinion, two things have definitely become clear: One is that people broke the law here; the other is that they wanted to sell the hotels well below the price they are worth, in a way that the state would have received practically nothing from this transaction. I do not want to make a system out of this. On the contrary, I ordered the investigation with the hope that things would turn out to be in order. We must develop institutional and other legal guarantees precisely in order to avoid government interference in such matters. We need a privatization minister in order to have someone in the government responsible for privatization. It is also clear that the privatization law alone will not regulate this like, for example, the extent of state interference or influence in the future operations of a given, large-scale, strategic firm.

[NEPSZABADSAG] In this respect, what do you regard as desirable?

[Horn] It is the strategic interest of any government to make sure that the country is not at the mercy of any domestic or foreign private firm in the area of energy supply. In my opinion, it is also strategically important for the government to try to see to it that, in addition to foreign investors, domestic investors, too, get important enterprises and industrial branches.

[NEPSZABADSAG] What financial possibilities do Hungarian investors have?

[Horn] I already mentioned this: We have very serious financial opportunities connected with various projects. For this, however, we must put concrete ideas and concrete proposals on the table. Negotiations are currently under way with major foreign partners on ways to participate in restructuring the Hungarian economy, primarily the infrastructure. But this depends first of all on us—because capital flows in, and further foreign capital can be guaranteed for domestic entrepreneurs and capitalists, if the government can present concrete projects.

[NEPSZABADSAG] As far as we know, the issue of ownership for the Hungarian population first appeared in your interview granted to the FRANKFURTER ALLGEMEINE ZEITUNG. In the commentary related to this interview, one can read that it was Gyula Horn who, controlling a majority of 54 percent, supported the creation of a coalition only reluctantly. What is your opinion about this, and about the fact that it seems that now you are sticking to the coalition more firmly than the chairman of the Alliance of Free Democrats [SZDSZ]?

[Horn] Private ownership for the population is also present in our program. Opportunities for the workers are also there. The government program also declares that, in the case of small and medium-sized enterprises, management should be in charge of privatization, supervised by the property management organizations. It is also said here that special prices should be given the workers of a given factory, in order to purchase shares and bonds in the privatized firm. All this is written down in the government program.

As for the second part of your question, I was the one who wrote a letter to Ivan Peto at the time, in which I offered him joint governing. It is not worth pondering about whether I did this goodheartedly or not. The facts speak for themselves.

The other thing is that I have repeatedly said over the past eight months that there is no alternative—or at least no rational alternative—to a coalition government. At the same time, let me add that the experiences of the past six months have also shown that there are serious disturbances in the coalition's cooperation. It is true, however, that both of us pledged some kind of self-restraint. But the question is, for example: How long this self-restraint can last in the case of the prime minister?

[NEPSZABADSAG] In your opinion, how long can it last?

[Horn] This self-restraint cannot lead to the reduction or the serious limitation of the prime minister's authority. We must coordinate, and I stick to the obligation to coordinate. At the same time, for example, I should have the right to call a meeting of the six parliamentary parties for Wednesday on the tasks facing the government and the Parliament on the issue of privatization. No one should question my right to convene a six-party coordination meeting!

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[NEPSZABADSAG] To what extent can we regard as guaranteed the continuation of this coalition in the upcoming weeks and months, or to the end of the current parliamentary cycle?

[Horn] I do not see guarantees. There is no such thing. We are talking about the assertion of common interests. For what are there guarantees in this country?

Precisely, things that we intend to implement will be implemented. There are no guarantees. I would like to stress that we have not held negotiations with other possible coalition partners. This issue has not even come up. Furthermore, we are serious about the coalition agreement in the sense that some of its points must be modified, either in connection with the coalition coordination council or other issues.

[NEPSZABADSAG] Would you describe us what, in your opinion, should be modified?

[Horn] We must definitely modify the issue connected to privatization, we must settle the functioning of the coalition coordination council, and we must return to the original agreement. In other words, I should coordinate things with the coalition deputy prime minister as we have been doing thus far, and the meeting of the coordination council should only be called if unbridgeable discord emerges between us. In connection with the evaluation of our activity of the past six months, it was very instructive that I will naturally formulate my reservations in the future, if I have anything against the activity of any minister, irrespective of his party affiliation; and I will formulate these reservations the way I have done thus far: namely, in the cabinet or privately, and not publicly. However, if my words have no effect, I will be obliged to take steps.

[NEPSZABADSAG] Do you have anything against the activity of any of your ministers?

[Horn] Of course I have some reservations but, as I already said, these reservations are not connected to any party affiliation. My ministers can tell you that I have tough arguments with "my own" ministers—that is, the MSZP ministers. There is no differentiation according to parties here.

[NEPSZABADSAG] Hungary is in a rather bad moral state. What about the declared struggle against corruption? One cannot really feel it.

[Horn] Your observation is justified. Yes, we also thought that we would be able to finish a given affair more quickly. I would add that, in connection with the privatization, there are five affairs that have already made it to the General Prosecutor's Office, and the Prosecutor's Office is taking the necessary measures. However, this does not change the essential thing: namely, that the process is too slow. On the basis of the experiences gained in the course of recent years, I think that, although not in blood, the original accumulation of capital is taking place in dirt. This applies to the entire eastern-central European region.

We have one possibility: namely, to try to institute regulations that reduce the scope of abuses and corruption. I am extremely sensitive about making sure that politics, the economy, and the opportunity to obtain property do not intertwine.

[NEPSZABADSAG] Do they intertwine?

[Horn] Yes, they do.

[NEPSZABADSAG] Could we do something against this?

[Horn] Yes, if we consistently make sure that no one who accepts a political role has direct personal interest in any privatization or other decisions. The other thing: The issue of a property accumulation tax caused quite a furor. I also mentioned this issue in Siofok. The experts promised to organize a professional meeting on this issue in spring. From an ethical side, the property accumulation tax could play a very important role in shaping a consensus in our society.

Settling the Relations With Our Neighbors

[NEPSZABADSAG] In conclusion, let us ask you: To what extent can we speak of new ways of thinking and of exceeding the current dead end in the relations with our neighbors? Could anything be felt during the Hungarian-Slovak talks?

[Horn] Yes. I very much hope that everything we have concretely decided upon will be implemented. Of course, there are two very sensitive issues included in this. One of them is the basic treaty. Mr. Meciar also clearly saw, in Brussels, that the condition for joining the EU is the creation of good-neighborly relations with the neighboring countries, and primarily with Hungary. Our Western parties suggest the same thing to us. I fully agree with this, because this is also in our national interest, and this is why we would like to have this basic treaty before 21 March.

The other sensitive issue is that of the river power station at Bos, which is of key importance from the viewpoint of being able to discover the possibilities of temporary compensation of damages, especially for the benefit of the Szigetkoz area. Naturally, this requires a parliamentary position, or the modification of the parliamentary position. As far as I am concerned, I want to get rid of the present situation, in which we have been marking time for several years. This has characterized the handling of the entire issue. We cannot advance, while the environment is dying. If Mr. Meciar is a partner—and he has been a partner so far—then we must make use of this opportunity. I find this decisive; and I add that if we can move forward as regards Hungarian-Slovak relations, this might definitely have great effect on the relations with our other neighbors, and first of all on Romanian-Hungarian relations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

HDUR Criticizes Latest Ruling on Minorities

LD0102180495 Budapest Kossuth Radio Network in Hungarian 1500 GMT 1 Feb 95

[Telephone report by Tibor Bogdan from Strasbourg]

[FBIS Translated Text] The Hungarian Democratic Union of Romania [HDUR] is critical of the mechanisms for monitoring the convention on protecting minorities signed in Strasbourg.

[Bogdan] The HDUR opinion is that the convention on minorities signed today in Strasbourg from many viewpoints constitutes a step backwards as compared with Resolution 1201 of the parliamentary assembly of the Council of Europe. This is because the convention does not define the concept of a national minority, nor does it contain rights such as setting up autonomous authorities or guaranteeing special status.

The Hungarians of Romania are especially alarmed at yesterday's radio statement by Romanian Foreign Minister Teodor Melescanu, in which Melescanu said that on the basis of the principle of so-called authorized interpretation [hiteles ertelmezes], each signatory could itself interpret the framework document.

In this regard, HDUR chairman Bela Marko was of the view that although he does not believe Romania will apply restrictions in connection with the document, it cannot be ruled out that the Romanian foreign minister was suggesting such a thing. He regretfully concluded that this was enabled by the rather weak monitoring mechanisms as well.

Attempt To Reconcile Vojvodina Hungarians Fails

LD0102190995 Budapest Duna TV in Hungarian 1700 GMT 1 Feb 95

[FBIS Translated Text] The leaders of the two Hungarian organizations of Vojvodina have held talks in Budapest. The talks were meant to be to be an effort at reconciliation, but this did not occur.

There was no success in getting the leaders of the Democratic Community of Hungarians in Vojvodina [VMDK] and the Association of Hungarians in Vojvodina [VMSZ] to sit down together at the negotiating table. Therefore, the reconciliation talks failed to materialize; and according to Csaba Tabajdi, political state secretary in the Prime Minister's Office, it is not yet time for mediation.

The political leader in charge of minority affairs held separate talks with the representatives of each of the two Hungarian organizations of Vojvodina. Also attending the talks were the members of the six-party Consultative Committee dealing with minorities abroad.

After the talks, a joint press briefing was held at which it emerged that the two Hungarian organizations will not join forces in the upcoming Serbian elections. This division could have serious political consequences for the Hungarians in the Serbian parliament.

Kovacs on Minority Rights Framework Agreement

LD0102211995 Budapest MTV Television Network in Hungarian 1830 GMT 1 Feb 95

[Interview with Foreign Minister Laszlo Kovacs in Strasbourg, via telephone—live or recorded]

[FBIS Translated Excerpt] [Announcer] Hungarian Foreign Minister Laszlo Kovacs has signed, in Strasbourg, the Council of Europe's framework agreement on the protection of minority rights. [passage omitted]

While on the air, we managed to contact Foreign Minister Laszlo Kovacs via phone. He is currently in Strasbourg. Good evening, Mr. Minister: What does this agreement mean, in practice, for people?

[Kovacs] It guarantees rights that have long been demanded by minorities in several countries of central Europe. Furthermore, this document does not only imply a political obligation undertaken by the signatories. If a state does not observe this, signatories will be able to call for various sanctions.

[Announcer] Does this document include anything very specific, the effects of which can immediately be felt by people?

[Kovacs] Yes. Well, perhaps not so specific; however, I consider it to be very important that it proclaims the possibility—or even desirability—of positive discrimination. That is to say: minorities should be granted more rights than the majority nation has. This is very important. It also mentions opportunities for education in the mother tongue, the use of personal names, names of towns and villages, and the use of the mother tongue. We know well that these are specific demands in certain neighboring countries...

[Announcer, interrupting] Excuse me for interrupting: As opposed to this-and this is very interesting—[HDUR senator] Gyoergy Frunda said this agreement does not satisfy the HDUR, and that this is a step backwards to earlier agreements. What is your view on it?

[Kovacs] There are indeed documents that include more than this one—but they, as I have just mentioned, are not mandatory. In this sense, this cannot be compared to other documents.

I also consider it to be a very important development that this document establishes that minorities can exercise their rights in their communities. The content of this corresponds to the widely disputed notion of collective rights.

Finally, one more thing: The framework agreement on the protection of minorities explicitly encourages signers to conclude bilateral agreements in which they can go beyond what is included in the framework agreement.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

We interpret the framework agreement—and this is Hungary's position—to be a starting point. Obligations going beyond this can also be undertaken by the signatories, and this can be laid down in bilateral agreements like the ones we are currently working on in the Romanian and Slovak relations.

[Announcer] Mr. Minister, you held talks with your Romanian counterpart Teodor Melescanu [in Strasbourg]. Are there any developments in the matter of the basic treaty?

[Kovacs] We agreed ...[rephrases] Obviously, the agreement reached at the Hungarian-Slovak prime ministerial meeting [in Budapest on 25 January] on speeding up talks on the basic treaty had a certain positive effect on our talks. Now, I also agreed with Foreign Minister Melescanu that the Hungarian-Romanian talks on the basic treaty will also be accelerated. In the interest of this, even two or three expert consultations can be held in February. My Romanian counterpart considers it possible that the basic treaty will be initialed in early March and perhaps signed by the prime ministers in the middle of March. Of course, this is the best-case scenario, as we call it.

[Announcer] Mr Minister; thank you for the fresh information.

[Kovacs] You are welcome.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Walesa To Dissolve Sejm Unless Agreement Reached

LD0202103295 Warsaw Radio Warszawa Network in Polish 1000 GMT 2 Feb 95

[FBIS Translated Text] President Lech Walesa has said that, unless an agreement can be reached with the government coalition on the most important issues, such as the appointments of ministers of foreign affairs and national defense and the chief police commander, he will have no choice but to dissolve the parliament. However, in an interview granted to journalists from five Polish radio stations, he did not specify when this would happen.

The president again accused Waldemar Pawlak's government of indolence in filling the posts of ministers of defense and foreign affairs, chief police commander, and Poland's ambassador to the Holy See.

He also said that, among the government members, were people who had committed offenses and who should be held responsible for them, and that the Sejm was not doing anything about it.

Lech Walesa emphasized that these issues would have been resolved a long time ago had a presidential system existed in Poland.

'No Choice'

LD0202125195 Warsaw Radio Warszawa Network in Polish 1105 GMT 2 Feb 95

[FBIS Translated Text] President Lech Walesa has said that, unless he reaches an agreement with the government coalition on the most important issues, such as the appointments of ministers of foreign affairs and national defense and the appointment of chief police commander, he will have no choice but to dissolve parliament.

[Begin Walesa recording] It is a bad thing that half of the government members are on the wanted list. It is a bad thing that there are no ambassadors. It is a bad thing that one cannot reach an agreement on a ministerial appointment. It is a bad thing that the highest officials are guided by ambitions—some people say by electoral ambitions and others by something else, they want to get rid of him—it is bad when this is happening. [sentence as heard]

However, there is no danger similar to the one we experienced before. Nobody is really going to shoot here, on either side. I, on my side, will not do it. I have a grip on the minister and the Army. I shall not fire shots at anybody. Neither shall I beat up anybody with a truncheon. But they should keep order themselves and not carry out deputies or declare martial law. It is not probable, and it will not happen.

However, the funny move, like the Markiewicz one, can happen when there is no possibility to reach an agreement.

I shall tell the nation. I have no chance to reach an agreement. I have tried and wanted to do it. There is no possibility to fill the vacant ministerial posts. There is no possibility to appoint the police commander. There is no such possibility. Consequently, I have no choice. I must dissolve parliament because I have no choice. I am appealing to you: Elect a better one. [end recording]

As president, I must have many options, Lech Walesa said when asked by journalists about a possible dissolution of parliament. I shall do everything for the well-being of the homeland in order to oppose evil, get rid of the embezzlers, and discard the failures. No tribunal or verdict can scare me, the president said.

When answering a question about the possibility of the emergence of two centers of power in a situation when parliament is dissolved and also in the context of a statement made by Sejm Speaker Oleksy that the Sejm would not abide by this decision, Lech Walesa said:

[Begin Walesa recording] It is possible. It is plausible for two weeks. The same thing happened—although this is probably not the best example—to Markiewicz and the other one [not further identified]. They also went on working for a few days. The situation will be exactly the same. [end recording]

Walesa Seeking To Postpone Presidential Election

LD0202114695 Warsaw PAP in Polish 1005 GMT 2 Feb 95

[FBIS Translated Text] Warsaw, 2 Feb—According to Leszek Miller, deputy chairman of Social Democracy of the Polish Republic, it is a mistake to think that the president wants to dissolve parliament because he is critical of Waldemar Pawlak's government. "When planning to make this decision, the president is not thinking about the state or society but of his own interests. In my opinion, his strategic aim is to postpone the presidential election because he expects a negative outcome from it," he said.

Miller claims that Walesa also needs the dissolution of parliament because he will be able say that a presidential election cannot be held shortly after a parliamentary election.

According to Miller, the parliament members should stay on Wiejska Street [where the Sejm is located] during the coming weekend in case the speaker decides to convene the National Assembly.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Bios of Likely Defense, Foreign Ministers

WS0102153795 Warsaw GAZETA WYBORCZA in Polish 2 Feb 95 p 2

[Article by "knysz, krzem, pw": "Ministry of National Defense: Szeremietiew; Ministry of Foreign Affairs: Ziolkowski"]

[FBIS Translated Text] We are presenting biographical data on ministerial candidates:

Romuald Szeremietiew

Age 50. A lawyer, graduate of the University of Wroclaw. Since 1974 a member of PAX [Christian social association], heading a voivodship unit in Leszno. In 1979, together with Leszek Moczulski, he founded the Confederation for an Independent Poland [KPN]. Arrested in January 1981 and sentenced to five years in prison. At the end of 1984 he found himself in conflict with Moczulski and left the KPN. He then joined the Polish Independence Party.

Deputy defense minister in Jan Olszewski's government. He headed the Ministry of National Defense for over two months after the dismissal of Jan Parys.

In 1993 he defeated Jan Olszewski and became the leader of the Movement for the Republic [RdR]. In December 1994 he launched talks on joining the Christian-National Union, which caused a split in the RdR.

He is currently writing a doctoral thesis on the history of Poland between World Wars I and II at the National Defense Academy. After the Drawsko dinner, he publicly criticized Kolodziejczyk, claiming that the Army has a right to discuss its own problems and that a superior who is not heeded by his subordinates should leave.

He was mentioned as one of the candidates for defense minister last spring.

Janusz Ziolkowski

He has worked with Walesa from the very beginning of the presidential term, first as secretary of state for international relations, then, after Jaroslaw Kaczynski left, as acting head of the President's Chancellery. He became its formal head in March 1992.

He says of the president: "Lech Walesa is a big loner. I met him for the first time in 1981, when I was the rector of the University of Poznan. He then invited me to his Civic Committee. I voted for Lech Walesa in the presidential elections. I am guided not only by loyalty, but also by a deep belief that I am working for a very exceptional statesman."

He describes his attitudes as "close to Christian democrat."

Professor Ziolkowski is 71 years old. He is a graduate of political sciences, economics, and sociology at the University of Poznan and the London School of Economics and Political Science. He worked for the UN and UNESCO. In 1980 he was a member of Solidarity and supported striking students. In 1983-89 he was chairman of the Polish Sociological Society. He participated in the Roundtable talks. He is married and has five children and six grandchildren.

Pawlak Stalls Appointment of Head of Police

WS0102154495 Warsaw GAZETA WYBORCZA in Polish 1 Feb 95 p 5

[Article by "Kes": "The Head of Police Can Wait?"]

[FBIS Translated Text] *"Prime Minister Pawlak will not discuss candidates for the head of police with the Advisory Committee of the Ministry of Internal Affairs [MSW]," the Government Press Office stated yesterday. "The prime minister is ignoring national security and is trying to provoke the interior minister into resigning," claim committee members.*

On Monday, MSW advisers and Interior Minister Andrzej Milczanowski refrained from issuing an opinion on a candidate for the head of police. They wanted the prime minister to be present. Pawlak called Milczanowski and informed him that he would meet with the committee on 3 February.

The Office of the Council of Ministers [URM] unexpectedly informed the MSW that the meeting will not take place as scheduled. The prime minister did not suggest an alternative date. He will see only Milczanowski on Friday, we learned from unofficial sources.

"The prime minister is returning from his foreign visit on Friday before noon. On the same day, he has to nominate the new heads of the Ministry of National Defense [MON] and the Ministry of Foreign Affairs [MSZ] and arrange a meeting between the coalition and Lech Walesa so as to prevent the president from dissolving the Sejm on Saturday. These are top priority issues for the country. The new head of police can wait," we were told at URM.

Members of the Advisory Committee are outraged. "I expected that the prime minister might not find a compromising solution, that he would bring about a stalemate and prolong the debate on the new head of police. How can you run a country as large as Poland this way?" asks Jacek Merkel of the Freedom Union.

Another committee member fears that Pawlak is trying to lead Interior Minister Andrzej Milczanowski to resign. "While the prime minister was in open conflict with the president, he felt weak and was more inclined to make concessions. Yesterday, however, the president approved Pawlak's candidates for head of MON and the MSZ, and the prime minister feels strong once again. He will enter a conflict with Milczanowski, nominating candidates unacceptable to the interior minister. Milczanowski will then state that he can no longer remain responsible for national security and will hand in his

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

resignation. Pawlak will be very happy because he has been trying to appoint his own man as head of the MSW for half a year," the politician projects.

Poll: More Respondents Critical of Pawlak

WS0202090495 Warsaw RZECZPOSPOLITA in Polish 31 Jan 95 p 5

[Article by Renata Wrobel: "Public Opinion Research Institute for RZECZPOSPOLITA: Prime Minister and His Party: Vessels Partially Combined"]

[FBIS Translated Text] The number of people who do not like the activities of Waldemar Pawlak as prime minister has doubled over the year. The rating of the Polish Peasant Party [PSL], the party headed by Pawlak, is worse than at the end of last year. The poll was carried out for us late in January by the Public Opinion Research Institute [PBS].

It is beyond doubt that Waldemar Pawlak, prime minister and chairman of the PSL, is the best-known person in his party. Such great identification of a leader with his grouping can be beneficial to both himself and the party. It allows both to benefit from the successes and popularity of the other. This also involves certain dangers. If the leader finds himself in a crisis, the party may also face serious difficulties (and the other way around).

Relations between the evaluations of Waldemar Pawlak and his party's popularity among voters can be termed as "partially combined vessels." Their popularity has simultaneously risen or simultaneously dropped as many as eight times over the past 12 months. However, one should not draw any too-far-reaching conclusions from this because usually the rating of the PSL changed only very slightly, which was within the limits of a statistical error.

Prime Minister: Increasingly More Bad Evaluations

For a long period of time, no criticism of the head of the government seemed to really affect his ratings in opinion polls. Some people even expressed opinions that allegations leveled against the prime minister eventually play into his hands because his supporters close ranks. The most recent research by the PBS seems to suggest that that is not at all the case. From January to January, the number of respondents who did not agree with the way Waledemar Pawlak was performing his duties more than doubled (it increased from 27 percent to 58 percent).

The number of people who approved of the prime minister's activities dropped less dramatically; they are now one-and-a-half-times less numerous than a year ago (a decrease from 38 to 26 percentage points). Since the fall, opponents have been clearly more numerous than supporters.

A year ago, the undecided constituted 35 percent; today they do not exceed 16 percent. It can be suspected that most of the people who some time ago did not take any stand gradually joined the group of those dissatisfied with the prime minister's work.

Pawlak is still evaluated favorably by the supporters of his party; almost 60 percent agree with the opinion that he is handling things well as prime minister. Supporters of the PSL's coalition partner, the Democratic Left Alliance [SLD], are not that liberal in praising the prime minister: Every third one praises him, whereas almost half criticize him. Voters of most of the oppositional parties are more critical than the average respondent. This goes particularly for the Covenant for Poland, the Confederation for an Independent Poland, "Solidarity," Freedom Union [UW], and the Nonparty Bloc in Support of Reforms.

As for other groups of respondents, the greatest numbers of reservations are expressed by educated persons, managing cadres, trade-sector employees, and inhabitants of medium-size and large towns and cities. The prime minister can hope to get the greatest support from people who are relatively poor, the unemployed, peasants, unskilled workers, and inhabitants of rural areas and small towns.

SLD Stronger In Countryside

Whereas the SLD, after a period in which its popularity among voters fell slightly, took "a breath of fresh air" and is again at the top of the ranking list of groupings, its coalition partner, the PSL, is in a much worse situation. The PSL, which was once certain of its second position after the SLD, has for a few weeks now been receiving as much support as UW (the differences were not greater than 1 percentage point). In January its result (13 percent) was evidently poorer than that of UW (17 percent), and it had to settle for third place on the list of the most popular parties among voters. This had been the worst rating of the peasant party since the temporary drop last May, when only 12 percent of voters declared support for the PSL. Further research will show whether the present situation is also a temporary drop in popularity.

The PSL is no longer the most popular party in the countryside, as was the case a year ago. It has been replaced by the SLD, even though the difference is really small. The PSL is still the most popular grouping among peasants and employees of farms; it is also obtaining relatively much support from people with elementary education and low income, as well as from women who are not professionally active and who are taking care of the household.

The PBS poll was carried out for RZECZPOSPOLITA on 21 and 22 January on a 1,000-person sample, representative of the adult inhabitants of Poland.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Iliescu Outlines New European Integration Goals

AU0202133495 Bucharest Radio Romania Network in Romanian 2000 GMT 1 Feb 95

["Message to the Nation" by President Ion Iliescu on 1 February; place not given—live or recorded]

[FBIS Translated Text] Esteemed fellow citizens: I hereby address the country at a significant political moment for Romanian society.

February 1 marks a historic date, a turning point for Romania. It is the day when Romania's association accord with the European Union [EU] becomes effective. From now on our cooperation with the EU will be carried out within a different framework. The process of our integration into the continental economic and political structures has entered a new phase. It is, if you wish, a victory won by our country, assembling the efforts, steadfastness, initiatives, and will of our entire political spectrum. It is a victory that is all the more important since, compared to other countries, we had to recover, fill, a certain gap; a victory that has found us united around an idea and a fundamental option: our country's full integration into European and Euro-Atlantic structures as rapidly as possible.

The new status from which Romania currently benefits is a result, but is equally a new starting point as well. It is a new start in our race to join the EU as a member with full rights. Not everyone who wishes may join the EU, but rather only those who are properly prepared and who meet precise economic preconditions.

We have now concluded a predominantly political race and passed on to another: a predominantly economic one. We have concluded a competition that has involved, primarily, our political class. We now pass on to another, one involving practically each and every one of us. It requires us to make strained and steadfast efforts, which must of necessity also be effective and competent. The decisive political goal to ensure equal opportunities to all associated countries in the new state of adherence proper has been achieved. From now on differentiations will occur due to the political, economic, and organizational ability of each country to meet the parameters set by the European institutions and structures. The economic gap between the countries wishing to join the EU and the ones that are already EU members is quite considerable. Therefore in the race that begins today Romania has to make great efforts.

We will most likely continue to receive support from the EU—which, as a matter of fact, is our principal trade partner—since today over 50 percent of our international commercial exchanges are made with EU member-countries—but there is not, nor can there be, any support more substantial than that we can give ourselves.

Setting out from our EU association accord and the strategy preparing the joining of the EU by the six associated countries—which was adopted in Essen last year—the Romanian Government has already drawn up a schema on Romania's national strategy in preparation of our joining the EU that, after it is completed, will represent a basis for negotiating with the representatives of the EU. It is a document representing merely a starting point for debates and consultations with all our political forces, trade unions, and the country's scientific and cultural brains, so that the process of our full integration can benefit from the coherent and realistic strategy of our entire society.

We have to understand that this is a necessary process, without which national development is inconceivable in today's world, when no one can envision modern economies based on autarchic bases.

More generally, an integration and globalization process of world economy is currently taking place. Therefore I call upon all political forces and each citizen to meditate together on how each of us can contribute to speeding up this process and fulfilling the political, economic, and social conditions of our integration, which includes, above all, political and social stability, the active promotion of economic reform, and a consensus as regards the fundamental values of our national interests.

Also today in Strasbourg, Romania was among the first countries to sign the Framework Convention on Ethnic Minorities. This is clear proof of the responsibility with which our country has embarked upon the assimilation of European standards in the most varied domains.

Besides, the fact that the aforementioned European document was signed on the same day both by Romania and Hungary illustrates our wish to cooperate and overcome certain moments of ephemeral tension.

Owing to a happy coincidence, today, February 1, is also the fifth anniversary of the conclusion of the accord between the 30 Romanian political parties existing back then and the National Salvation Front Council on the setting up of the National Unity Provisional Council [CPUN], an accord by which a new phase of political cooperation was opened in the life of our country in the first half of the year 1990.

Let us not forget that the conclusion of that accord followed a period of violence and tension that manifested themselves especially in the events that took place on 28 and 29 January 1990. Nevertheless, the political forces back gthen managed to find the resources and wisdom to rise above those strained moments and conclude an accord on the basis of which the CPUN, the nation's first provisional, ad hoc, structured parliament, was set up. Despite the existing tension, this parliament realized a considerable job of lawmaking and, above all, prepared the May 1990 elections. On that day, 1 February 1990, the political forces, under entirely special circumstances, agreed upon an ingenious and really original formula ensuring the country's democratic evolution.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Today we face a national objective of important historic significance. I hope our response and our position will be guided by wisdom and determination, by our will to see Romania organically integrated within European structures.

Tokes To 'Step Aside' Until Disputes Settled

LD0202104895 Budapest Kossuth Radio Network in Hungarian 0900 GMT 2 Feb 95

[FBIS Translated Text] Laszlo Tokes is to step aside from his public role until the Hungarian Democratic Union of Romania [HDUR] finds a solution to internal disputes. This was announced by the bishop and honorary HDUR chairman himself, who added that the evolving situation contributes to the authorities' anti-Hungarian smear campaign.

According to Tokes, disagreement within the HDUR is dangerous because it gives the impression that there are, within the organization, good Hungarians with whom agreement is possible and bad ones who hide weapons even under their skin, so to speak. Tokes, who is a bishop of the Reformed Church in the Bucea region, considers what has happened a political mistake, and he is of the view that the existence of HDUR is at stake.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Izetbegovic Warns About Serb Attacks on Bihac

AU0102201795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 1 Feb 95

[FBIS Translated Text] Alija Izetbegovic, president of the Presidency of the Republic of Bosnia-Herzegovina, has sent a letter to Yasushi Akashi, special envoy to the UN secretary general for former Yugoslavia, on the occasion of the continuing aggression in the Bihac region.

For days already, we have been hearing that Serbian forces, those from Knin and those from Bosnia, have continued to attack the Bihac region. All this time, we were expecting your excellency to find ways or means to stop these attacks or to persuade or force the aggressors to respect the signed truce. Unfortunately, the fighting has been gaining in intensity each day and reliable information tells us that fresh forces have been brought onto the Bihac front. Our army is demanding my permission, in the event that this offensive continues, for it to respond on other sections of the front with a view to easing the pressure on the Bihac front.

You know that this would mean an end to the truce and an opening of a new round of war. Therefore, I am asking you once again to do everything in your power to stop these Serbian attacks and thereby force the aggressor to respect the truce.

Ganic Interviewed About Embargo, U.S. Stand

NC0102145895 Cairo MENA in Arabic 1425 GMT 1 Feb 95

[FBIS Translated Text] Cairo, 1 Feb (MENA)—Bosnian Vice President Ejup Ganic has reiterated his call to the international community to supply his country with weapons, saying: We have the men and the just cause while all the Serbs have is a huge war machine.

In an interview with the weekly French-language paper AL-AHRAM HEBDO, he said the Serbs will be compelled to submit and accept peace if a military balance is achieved. He added: If peace is not established by spring, we will see a large-scale offensive, because that would be necessary for us militarily and economically. He explained that intensifying resistance and steadfastness is the Bosnian people's only hope for getting aid from outside.

On Bosnian strategy, Ganic said: Our strategy is to "fight and negotiate" because this makes the Serbs lose their balance. He added: Our strategy derives its strength from our just cause and united rank. He added that the brutal Serb aggression has revived the Bosnians' Islamic identity and made them more united. He said: We now have a 200,000-strong army, which cannot be ignored when it comes to any settlement in the Balkans.

The Bosnian vice president severely criticized the West, particularly Europe. He said: The West has failed to confront the "Serbs' fascism." Europe has proved that it was not united and that the collapse of morals has led to the disintegration of nations. He added: While the West is plotting to continue the conflict in Bosnia, we find that Russia is giving itself permission to bombard the Chechens, knowing that Europe will turn a blind eye. He warned, in this regard, that Europe will cut off all its bridges with the Islamic world with this policy.

He called on the Islamic world to think seriously of the conditions of Europe's Muslims, to rally, cooperate in a better way, and learn from the lesson of Bosnia.

Regarding the U.S. stance, Ganic expressed his hope that things will improve with the presence of a Republican majority in Congress. He said: The Americans are saying they cannot fight on our behalf. This is not our demand. We will fight ourselves but we need weapons and the lifting of the embargo imposed on us. Both these things are in the hands of the United States.

Assessing the United Nations' role, he said: We believed in this role at first. But the UN officials themselves told us frankly that they have referred the issue to the major powers, which have the final word on the UN forces in Bosnia.

Ganic denied that there are splits within the Bosnian leadership. He said: There are differences in views and this is a democracy. But we are more united than the Serbs. He added: The West should stop posing as the sponsor of democracy, human rights, and coexistence between cultures. We, not the West, are applying these principles.

Izetbegovic-Ganic Statement Rejects Criticism

AU0102175595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 1 Feb 95

[FBIS Translated Text] Regarding yesterday's statement by Bosnia-Herzegovina Presidency members Nijaz Durakovic, Tatjana Ljujic-Mijatovic, Stjepan Kljuic, Mirko Pejanovic, and Ivo Komsic, we have received the following joint statement from the offices of President Izetbegovic and Presidency member Ejup Ganic:

The statement by the five members of the Bosnia-Herzegovina Presidency about the alleged politicization and exploitation of religion in some units of the Bosnia-Herzegovina Army, caused negative reactions among the majority of our public and the army. A section of the public reacted to the statement with protests and condemnations. Regardless of this significant fact, it is important to say that the statement is unfounded and is based on confusion. It is not a question of politicization and exploitation of religion, but rather of its manifestation, and the manifestation of religion is and will always be free everywhere including in the army. Apart from this, there the following important facts:

All units of the Bosnia-Herzegovina Army—and we know them well because we visit them often—without exception stress that a unified Bosnia is the aim of their

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

struggle, and a unified Bosnia is by definition a democratic and free country. These units that the signatories of the statement obviously had in mind, have—sometimes with huge casualties and deprivations—defended many villages and towns and saved people from genocide, without ever committing genocide themselves. Their religious inspiration has not hampered them; on the contrary, it has helped them to protect the weak, their lives, dignity, and property, equally and without asking (?for their names). After all, their cry that only God is almighty is the source of their courage and strength to face the dangers that this long and grave struggle involves. We do not know why this and similar messages should worry anybody if the goals of the struggle are clear and undisputed. It is undisputed that one of the very aims of the aggressor was to destroy religion as the basis of the identity and spiritual support of the Bosniak nation, which found itself under attack.

More than 800 mosques have been destroyed in Bosnia. The insistence on religion in some of our units, particularly those consisting of people expelled from their homes, is often a spontaneous reaction to this unprecedented destruction of all religious symbols—mosques, [word indistinct], and the like, and is entirely understandable.

According to our law, military units, provided that they carry the state flag and insignia, may also display their own specific insignia. All military units of the Bosnia-Herzegovina Army respect this regulation.

Finally, let us count the graves. The fate of this country will be decided by the people who have been fighting, working, and dying for it.

Silajdzic Rejects New Peace Conference Proposal

AU0202100595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 2 Feb 95

[FBIS Translated Text] Prime Minister Haris Silajdzic rejected a French proposal to call another international conference on former Yugoslavia. We do not need a new conference because we have a peace plan. If this conference is to transform the plan into law then it is welcome. Any other conference merely allows our enemies to gain time, Silajdzic stated at the end of his three day tour of the United States.

According to Silajdzic, there are two ways to resolve the crisis in Bosnia-Herzegovina: Either the international community takes care of it or permits us to do so.

He again demanded a lifting of the arms embargo for Bosnia-Herzegovina Government and demanded that the Contact Group issue an ultimatum to the aggressor to accept the peace plan by 1 May.

Serbs Threaten UNPROFOR Over Tuzla Airport

AU0102130795 Paris AFP in English 1156 GMT 1 Feb 95

[FBIS Transcribed Text] Sarajevo, Feb 1 (AFP)—The Bosnian Serbs have threatened "unpopular measures" against the United Nations if it tries to reopen an airbase it controls at Tuzla in northeast Bosnia, a UN spokesman reported Wednesday.

Alexander Ivanko denounced the warning, saying it was "completely unacceptable that UNPROFOR (UN Protection Force) is threatened by the Bosnian Serbs."

UN authorities have abandoned plans to reopen the base to humanitarian flights, as demanded by the Moslem-led government, in the absence of security guarantees from the Serbs, whose forces are deployed near the facility.

Ivanko said that at a meeting with UN chief-of-staff General Jan Willem Brinkman on Tuesday, General Zdravko Tolimir, the second ranking Serb officer, warned that the Serbs would "destroy all agreements" and take "unpopular measures" if the airbase were to be reopened.

Tolimir insisted it was unacceptable for two airports—Tuzla and Sarajevo—to be operational on Moslem-controlled territory.

The Tuzla base is UN sector headquarters for some 5,700 peacekeepers and was technically open to flights for two months starting last March.

But Ivanko said mortars or artillery rounds landed around the facility during each of the estimated 30 UN flights and the airfield was closed.

Without Serb safety guarantees, according to UN military spokesman Colonel Gary Coward, reopening the base to air traffic would be "reckless."

The United Nations here is technically facing an ultimatum from the Bosnian government, which last month told UN officials to reopen Tuzla airport to relief flights by February 1 or evacuate it altogether by March 1.

But UN sources said the government has not pressed its demand in recent talks.

Serbs, Muslims Agree To Open 'Blue Routes'

LD0102133695 Belgrade SRNA in Serbo-Croatian 2206 GMT 31 Jan 95

[Received by fax]

[FBIS Translated Text] Sarajevo, 31 Jan (SRNA)—Representatives of the [Bosnian] Serb Republic and the Muslim side agreed today to open the "blue routes" via Sarajevo airport to official international humanitarian organizations at 1300 tomorrow [1 February] and allow the reopening of the Vogosca-Visoko "blue route."

According to Serb Republic Assembly Speaker Momcilo Krajisnik, who led the Serb delegation at today's meeting at Sarajevo airport, the talks were "long but not successful," because agreement was reached in only one area.

"We had a very ambitious plan to resolve a series of questions in connection with the agreement on the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

freedom of movement across Sarajevo airport, evacuation for welfare reasons, the exchange of prisoners, and other things. After lengthy talks we succeeded only in agreeing that the 'blue route' across Sarajevo airport be opened to convoys of international humanitarian organizations and that the Vogosca-Visoko 'blue route' be opened if the Muslim sides needs it," Krajisnik explained.

He added that the Muslims are particularly interested in reaching an agreement on civilian traffic and in the movement of five local humanitarian organizations on roads leading across Sarajevo airport; however, Krajisnik stressed, "certain points still need to be clarified in this respect."

The Serb parliament speaker said it was also agreed today that the International Committee of the Red Cross should soon draw up a more effective plan for a speedier exchange of prisoners.

According to Krajisnik, mixed commissions are scheduled to meet again on Friday to discuss the remaining issues from the 23 January 1995 Protocol on the Implementation of the Agreement on a Complete Cessation of Hostilities.

The Muslim negotiating team was headed by Hasan Muratovic, [Bosnian minister for cooperation with the United Nations], the UN Protection Force [UNPROFOR] by Enrico Aguillar, head of the civilian department for the former Bosnia-Herzegovina, and the UNHCR by (Thomas Birat).

UN Trucks Use Route

AU0102141395 Paris AFP in English 1337 GMT 1 Feb 95

[FBIS Transcribed Text] Sarajevo, Feb 1 (AFP)—Three UN trucks Wednesday reopened a key Sarajevo supply route, but public hopes that it would be available to trapped civilians to reach the outside world collapsed in a bitter row between government and Serb officials.

The three trucks took advantage of a partial agreement reached Tuesday and crossed Sarajevo airport south of here from Dobrinja to Butmir to collect a load of firewood. They were to return to Dobrinja and Sarajevo later in the day, UN sources said.

Senior government and Serb delegates agreed Tuesday at a UN-brokered meeting that the road would be reopened for use by eight United Nations-related aid agencies.

But plans to widen usage to include civilians and five local relief groups were scrapped as Serb officials demanded 50 percent of all goods carried by the local bodies, UN sources said.

UN Civil Affairs Coordinator Enrique Aguilar described the row as "heated" and said that what had emerged after a "lengthy and difficult meeting" was a "partial agreement."

The two sides had agreed in principle January 23 to authorize the five local aid groups as well as civilians to use the road.

But at Tuesday's talks to work out final details, Bosnian Minister for UN Affairs Hasan Muratovic and Momcilo Krajisnik, speaker of parliament in the self-proclaimed Bosnian Serb Republic, first clashed on the issue of detainees and people unaccounted for.

Krajisnik then demanded that Serbs have access to half the goods carried by the Sarajevo non-governmental bodies, Aguilar said, and the meeting broke down.

A UN source added that the previous accord had come close to "unravelling" and that an understanding was reached only on use of the road by "international humanitarian organizations."

"Nearly everything had been agreed until they got to detainees," he said. "From that point on they grew further and further apart. The good work that had gone on before almost dissolved."

He said the parties were unhappy with progress made to date on releasing civilian and military prisoners as well on exchanges of information on people listed as missing in the conflict.

Reopening two airport crossing roads, one for Sarajevo residents and another linking two Serb-held suburbs, had been stipulated in a global New Year truce signed by government and Serb authorities on December 31.

UN mediators trying to consolidate the pact had hailed the January understanding on the roads as a tangible sign of growing good will between the Moslem-led government and rebel Serbs, who have been at war since April 1992.

Reopening the airport crossing, running between the Moslem towns of Dobrinja and Butmir, to UN agencies is likely to have little impact on Sarajevo. The city is already largely supplied by the UN High Commissioner for Refugees, which operates an airlift but also has access to the city by land through Serb-held territory.

Sarajevans had been eagerly looking forward to the reopened route, currently in range of Serb guns, as a way to escape the privations of war and as a means to drive down food prices in the market.

At present, food entering the capital from sources other than international agencies has to be backpacked through a pedestrian tunnel under part of the airport—a difficult procedure that forces up retail prices.

Civilians using the reopened road could be expected to carry in extra food and other items, boosting the supply and lowering prices.

The roads were first re-opened under an agreement worked out last March. But the Serbs cancelled the deal in July, charging that it had been used to smuggle arms to the government.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

UN: Croatian Serb Force Moving Against Bihac

AU0102184895 Paris AFP in English 1801 GMT 1 Feb 95

[FBIS Transcribed Excerpt] Zagreb, Feb 1 (AFP)—Croatian Serbs have deployed in large numbers in the northwest Bosnian pocket of Bihac in the last two weeks, possibly preparing for a new offensive against the Bosnian Government, the UN said here Wednesday [1 February].

There is "evidence that it's not just a question of some units...this is a question of strategy," United Nations Protection Force (UNPROFOR) spokesman Christopher Gunness told AFP.

"Whole units of the (Croatian Serb) RSK [Republic of Serbian Krajina] army are being deployed in the Bihac area." This deployment is risking the fragile peace elsewhere in Bosnia and "we condemn and deplore it," Gunness said. [passage omitted]

Backing the UN claims, a Bosnian Army spokesman told the local BPA agency Wednesday that the Croatian Serb army had recently recruited 15,000 soldiers and said the Serbs were aiming to take total control of the Bihac region.

It is "their greatest concentration of troops to date," BPA said.

The Bosnian Army said columns of trucks, tanks and troop transporters had left Knin, the stronghold of the Croatian Serbs in Croatia, and were headed Wednesday towards the Bihac pocket, officially a UN-protected zone.

UNPROFOR has frequently demanded the withdrawal of "all foreign forces" from Bihac but admits that there are currently no fewer than five separate forces involved in fighting in the pocket: Abdic, Croatian Serbs, Bosnian Serbs, Bosnian Government and Bosnian Croat troops.

A senior UN military officer told AFP last week that the Croatian Serb forces were planning a dramatic offensive in the next few weeks to win control of all of Bihac ahead of the end-of-June deadline given by Zagreb to UN troops to leave Croatia.

Croatian Serbs believe that the withdrawal of UN troops, demanded by Zagreb, would leave them, the Serbs, fighting on two fronts—one against the Croatians and the other against the Bosnians. [passage omitted]

Sarajevo Rounds Up Attacks in Bihac Pocket

AU0202120595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 2 Feb 95

[Report by Muhamed Mulic from Bihac]

[FBIS Translated Text] All of yesterday, the united aggressors from the occupied parts of the Bihac municipality and the so-called Serbian Krajina were attacking the suburbs and the town of Bihac with 130-mm guns, 120-mm mortars, and tanks.

This attack, which was not provoked in any way, started shortly after 2000 last night with the shelling of Zegar and Luke, where major material damage was inflicted, luckily however, there were no injured.

The defense lines of the 5th Corps and the General Staff of the Croatian Defense Council [HVO] for Bihac region were also exposed to fierce aggressor attacks. They were exposed to intense attacks from the aggressor's artillery and armor-piercing arms Osa and Zolja [M79 and M80 portable rocket launchers]. Simultaneously, the aggressor attacked the territory of the Bosanska Krupa municipality. The enemy fired more than 1,000 destructive rounds on the defense lines and [word indistinct] of Bosanska Krupa last night and early this morning launched into infantry attacks, which the soldiers of the 5th Corps are successfully resisting, inflicting serious losses upon the enemy.

In the area of Bosanska Krupa, one of the UN observer checkpoints was subjected to enemy shelling.

On other battlefields, especially around Velika Kladusa, the shelling of 5th Corps positions continued, parallel to the concentration of fresh enemy forces.

We noted sporadic provocations on Grabez Plateau and in Grmusa Srbljani Plateau. In this way, the war continues with unabated ferocity in the theater of operations of the 5th Corps of the Bosnia-Herzegovina Army and HVO General Staff for Bihac region.

Serbs Say Muslim Attacks Near Bihac Continuing

LD0202115995 Belgrade SRNA in Serbo-Croatian 1032 GMT 2 Feb 95

[FBIS Translated Text] Petrovac, 2 Feb (SRNA)—After last night's fierce attacks, members of the 505th and 511th brigades of the 5th Corps of the Muslim army this morning continued their offensive on Serb positions near Krupa na Uni [Bosanska Krupa] and bridgeheads in the Krupa area.

Serb military sources report that the Serb army was forced to respond to the powerful artillery and infantry attacks with all available means.

The commander of the Krajina Corps of the Army of the Serb Republic has sent two protest notes to Colonel Jean-Charles Lemieux, commander of the "blue helmets" in the Bihac sector, informing him of the consequences of the latest Muslim offensive on the border of the Serb Republic, which is a very serious violation of the cessation of hostilities agreement.

Muslim-HVO Command To Move to Central Bosnia

LD0102214095 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 1 Feb 95

[FBIS Translated Text] When President [Kresimir] Zubak and Vice President [Ejup] Ganic left for Usora, a

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

separate meeting was held between the commanders of the Croat and Muslim forces in Bosnia-Herzegovina, Generals Tihomir Blaskic and Rasim Delic. Generals Blaskic and Delic agreed to move the operational part of the joint command to central Bosnia. At the same time, a document was signed containing conclusions on the promotion of military cooperation between Croatian Defense Council [HVO] and the Muslim Army. General Tihomir Blaskic made the following statement for the Croat Herceg-Bosna radio after the meeting:

[Begin Blaskic recording] I think the meeting we had was extremely successful, especially after the historic decision made by the Croatian president regarding the termination of UNPROFOR's [UN Protection Force] mandate and an analysis thereafter of a possible development of the situation and [word indistinct] of the overall situation in the federation. On the other hand, we had an open discussion and agreed on the issues we had already coordinated in the Split agreement and the one signed in Kresevo on 13 November.

Also important is the fact that we set a deadline for the redeployment of the operational section of the joint command and agreed on a new location. I am certain that this will improve cooperation on the ground and accelerate efforts to resolve some of the issues that are particularly important for the coordinated action of HVO and army units. [end recording]

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

TANJUG Views RSK Rejection of Z-4 Plan

LD3101180195 Belgrade TANJUG in English 1545 GMT 31 Jan 95

[By TANJUG diplomatic editor Stevan Cordas—"pool" item]

[FBIS Transcribed Text] Belgrade, Jan. 31 (TANJUG)—The rejection of the republic of Serb Krajina to take into consideration a plan proposed by the group of international mediators known as the 'Z-4' is a far more complex matter than it appears, because the plan is a screen for fundamental issues which prejudice a final political solution and violate all previous accords on ways how to achieve such a solution.

According to the available information, the plan of the 'Z-4' is an attempt at 'a peaceful reintegration of UNPA (U.N. Protected Area) sectors into the Republic of Croatia.' The plan offers to the Krajina Serbs much less than they practically have now.

The plan of the 'Z-4'—The United Nations, the European Union, the United States and Russia—calls for an end to the republic of Serb Krajina as an independent entity.

The republic of Serb Krajina was proclaimed by the local Serbs in 1991 after Croatia launched a war of secession from the former Yugoslav Federation and removed Serb national rights from the Croatian Constitution. Its territory has been under U.N. protection since March 1992. It is set out in circles close to the Serb Krajina government that the only plan acceptable to the republic of Serb Krajina is the one drawn up in Geneva on July 16, 1993, when Serb Krajina and Croatia agreed through the mediation of the co-chairmen of the international conference on the former Yugoslavia on a three-phase normalization of relations.

It is set out in the same circles that the 'Z-4' plan is in fact a violation of the Geneva Accord.

Representatives of the 'Z-4' visited the Serb Krajina centre of Knin three times on Monday, trying to present the plan to Serb Krajina representatives. To their astonishment, however, Knin was categorical—the 'Z-4' could not have chosen a worse moment to advance the plan. The republic of Serb Krajina rejected the plan without even seeing its copy.

The republic of Serb Krajina insists that the talks with Croatia resume as envisaged under the Geneva Accord, meaning that the talks on the normalization of economic ties be concluded before the political talks open. The republic of Serb Krajina insists on United Nations guarantees that its protection force troops will remain in the UNPA sectors after March 31 but without any change in their mandate as defined under the Vance Plan.

The representatives of the 'Z-4' on Monday tried to persuade republic of Serb Krajina authorities to accept the plan without having immediately to take a stand on it. Knin declined to do so, as a result of which only Croatia has been acquainted with the contents of the plan.

It is set out in circles close to the Serb Krajina government that Croatia had earlier been acquainted with the contents of the plan because it had been very 'active' in the drawing up the document.

Martic Views Significance of Resolution 970

AU0102103595 Belgrade NIN in Serbo-Croatian 20 Jan 95 pp 16-18

[Unattributed interview with the president of Serbian Krajina, Milan Martic, in Belgrade; date not given: "Belgrade Underwrites Me"]

[FBIS Translated Text] It has been a long time since the republic of Serbian Krajina [RSK] became an important factor not only concerning the normalization of Croatian-Serbian relations in general, but also regarding international attempts to take a principled approach to the settlement of the crisis in former Yugoslavia. This has resulted in the recent New Year's greeting card from Zagreb to Krajina—its decision not to extend UNPROFOR's mandate and UN Security Council Resolution 970 on the economic blockade imposed on the RSK, the implementation of which has been put in Belgrade's hands as a precondition for continuing the partial suspension of sanctions. There are plenty of reasons for a discussion with Krajina's president Milan Martic, who is taking a short break in Belgrade on his way from Knin to Vukovar.

[NIN] Analysts of events in the former Yugoslavia assess that the adoption of this resolution, under pressure of the United States, is a decisive step in the international plan for Krajina's reintegration, even at the price of degrading Belgrade's official policy so far, as proven in the case of the Srpska republic. How do you assess this resolution and its consequences for Krajina?

[Martic] UN Security Council Resolution 970 is aimed primarily against the FRY and the republic of Serbia. The goal is clear: To apply pressure on Serbia to recognize Croatia in its AVNOJ [Anti-Fascist Council of National Liberation of Yugoslavia] borders. Also, it is an attempt to bring Krajina, through economic blockade, to the point where its defense capacity and position in negotiations with Croatia are weakened. However, I do not think there is a politician in Serbia who would accept this resolution and these conditions.

[NIN] And what will happen if Belgrade does accept the resolution?

[Martic] That would provoke negative reactions from all Serbians, and for that reason I think it is impossible for someone to agree to and accept the United States and Security Council dictate.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[NIN] Thoughts such as these also prevailed when a similar dictate was held over Serbia to apply pressure on Pale, with the reward of a partial lifting of sanctions. Now the future of the sanctions has been tied to Knin.

[Martic] I do not believe that the sanctions will be lifted in such a short time, because had the international community really wanted to accomplish that, it could have lifted the sanctions a year or three months ago, rather than imbue it with symbolic relief and expanding the list of conditions, justified by reported efforts to accomplish a peaceful settlement of the crisis, and punishing thereby mainly Serbs and tolerating Tudjman and Izetbegovic's behavior. Through blackmail and demands for new concessions, preconditions for a peaceful and lasting settlement of the crisis in the former Yugoslavia cannot be created. That Kosovo and Sandzak will have their turn after this is not overlooked.... For that reason I do not think that Serbia will yield to the latest pressure, the price of which—the prolongation of the partial suspension of sanctions for 100 more days—is minor in light of possible consequences. That would be catastrophic for Serbia, because we in RSK and Srpska republic are actually the advance guard that prevents the spread of war to Serbia, and therefore we are a factor of stabilization for Serbia and FRY [Federal Republic of Yugoslavia].

[NIN] Is Croatian President Tudjman's decision not to extend UNPROFOR's mandate a threat to peace, that is, a chance of the war spreading not only to Krajina, but also to Bosnia-Herzegovina and Serbia?

[Martic] Absolutely. For that reason we have to be aware that Tudjman, despite statements stressing peaceful settlement of relations with Krajina, will choose war as a means of, as he puts it: Achieving the reintegration of the occupied regions into the state and legal system of Croatia. This is evident also from the fact that the Croatian Government and media are preparing their own people much more for such an eventuality than for any process of peaceful settlement of relations with Krajina. It is up to us to defend ourselves and endure all this. However, one should not overlook the significance of the fact that the FRY, as a signatory to the Vance plan, is obligated to defend Krajina in case of Croatian aggression. One should also not forget the significance of the joint declaration between the RSK and the Srpska republic, signed in October 1992 in Prijedor regarding the mutual military assistance in case of aggression against the RSK or the Srpska republic. We are constantly helping each other, and we do not hide that because it is simply our right to defend ourselves.

[NIN] Let us go back to relations with Croatia and the question of UNPROFOR's mandate. Your first reaction to Tudjman's decision was your statement that Krajina will keep UNPROFOR.

[Martic] Croatia cannot decide on UNPROFOR's destiny alone. The Vance plan was signed by Yugoslavia and also accepted by the RSK, that is, its assembly, being the highest legitimate organ of authority expressing the will of the Serbian people in Krajina. Which is to say that if the UN Security Council decides to extend the mandate after 31 March, we are ready to take UNPROFOR in and offer them all the necessary services, from logistics to other prerequisites for its functioning and successful accomplishment of the peace mission. At the same time, this is proof of our determination to peacefully settle the problem and maintain conditions for further negotiations with Croatia, including political issues. If, however, the international community backs up Tudjman's decision, it will have to take exclusive responsibility for a new war and its, I believe, horrible consequences, not only regarding the conflict between Croatia and Krajina, but also regarding the future of peaceful settlement of the crisis in Bosnia and peace in the Balkans.

[NIN] The responsibility of the international community has yet tp be a matter for respect so far, regardless of your prediction.

[Martic] If pressures continue, that can only be a reliable signal that it is about time for Serbs to unite.

[NIN] The unification has been mentioned (all) too often, and the effects are quite evident. The idea you support—that a joint meeting of the RSK, Srpska republic, Serbia and Montenegro (and the FRY) parliaments should be held at which national goals and interests would be defined—has also remained without response.

[Martic] I am convinced that the Serbian people, from Krajina to Serbia and Montenegro, want unification. Personally, I would like it to happen as early as tomorrow. But there are some other factors in the game, international circumstances primarily. However, in my opinion the right moment for unification is when the world powers, the United States and Germany especially, attempt to drive the Serbs into a corner, a hopeless situation—and there are many such indications. Which is to say, in all these pressures and expanded conditions there may be some positive aspects that will speed up our unification.

[NIN] What do you expect in any case from the leaderships of Serbia and the FRY regarding the future of Krajina's status, on the political as well as defense planes?

[Martic] I personally expect them not to yield to the pressure exerted by the Security Council, and to fulfill their commitment as prescribed by the Vance plan. Which is to say, I expect them to defend Krajina even militarily in such circumstances.

[NIN] Do you have any such guarantees?

[Martic] Yes, I do.

[NIN] Still, there are some indications that Krajina's destiny does not depend solely on international factors. In Serbia, as well as in Croatia, much has been written

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and discussed about a scenario reportedly projecting the territorial disintegration of Krajina to its former regions, and partial settlement of the status of those regions.

[Martic] Such efforts do exist. However, when we start political discussions concerning relations between Krajina and Croatia, we will most certainly discuss that and the public will certainly be informed. Croatia has a plan for Krajina's disintegration, in order to accomplish its intentions more easily, but that will not happen.

[NIN] Concsidering the diametrically opposed political attitudes of Zagreb and Knin, as well as international circumstances and Belgrade's position conditioned by pressures and sanctions, are there any considerations in Krajina of a reserve alternative, such as confederation with Croatia?

[Martic] Unfortunately, with our acceptance of the concept of brotherhood and unity after World War II we proved quite naive, permitting the cheap partitioning of Serbs by way of administrative borders. This must not and will never be allowed to happen to anyone again. No one will divide us again, particularly not Croatia.

[NIN] How do you assess some estimates that the Agreement on Economic Relations with Croatia is an introduction to the economic reintegration of Krajina, particularly since the representatives of Krajina, and you personally, have relinquished many initial conditions and demands?

[Martic] I look at it from a different angle. The RSK government is in charge of economic negotiations, more precisely, Prime Minister Mikelic and Foreign Minister Babic with a group of aides. I so not think we can lose anything with these negotiations. On the contrary, Krajina may have some advantage, either regarding the effects of reopening the highway, or reopening the oil pipeline or waterworks. And if something does go wrong, in the event of unilateral Croatian moves we can terminate the negotiations and freeze all agreements reached up to that point. Much more important is the issue of negotiations on political relations and their outcome. I will personally lead those negotiations with a group of parliament experts and people determined to settle the question of Krajina's status justly, regardless of their partisan membership. After all, it is the people of Krajina who will decide its destiny. I will never make any move that is not mindful of their decision, nor will I agree to doing that under any circumstances. I believe that the arguments are on our side, that one day they will be much better regarded by the international community, and that it will stop treating us as if we were an occupying force or aggressor in our own country.

[NIN] Recently you announced the possibility of personally leading the negotiations on political relations, interpreted in some circles and in Krajina as a sign of mistrust of the current negotiators.

[Martic] No, that should not be interpreted that way. The decision as to who would lead the negotiations in so-called three-phase cycles was made long ago. The government has been entrusted with the negotiations on economic relations and Prime Minister Mikelic heads that team; I have been entrusted with leading the negotiations on political relations and I will select the negotiating team.

[NIN] What is the role of international mediators in the negotiations so far, and particularly the role of cochairmen Owen and Stoltenberg?

[Martic] Their role depends on the dictate of the foreign powers. Their statements vacillate from negative attitudes toward Krajina to certain positive tones. However, I support the opinion that others will esteem us only inasmuch as we are strong and unanimous ourselves. They are professionals and perform their job, and it is up to us to struggle for our rights and positions.

[NIN] Can Krajina succeed in the struggle for the desired positions and status in view of the situation that has come about and the fact that official Belgrade has still not stated its attitude regarding the latest Security Council resolution?

[Martic] I still expect and am convinced that authorities in Serbia and FRY will at a critical moment [text incomplete as published]

[Box, page 16]

[NIN] There is the impression that the diplomatic position of Krajina has deteriorated and that it has been reduced exclusively to contacts with international mediators in Knin or Belgrade, whereas earlier Krajina's representatives used to take part in the talks in Geneva or New York.

[Martic] I do not think so. I believe that, we have actually gone a step forward on the diplomatic plane, that we are in a better position than we were one year ago. The reactions of some countries' representatives, addressed to me personally or to our representatives abroad, indicate a more positive approach to the positions for which we are interceding. More and more respect is being shown, and the name of RSK is more and more frequently mentioned.

[NIN] Can you give us some examples?

[Martic] Well, for instance, the letter sent by King Hussein of Jordan, in which he says that he wants good relations with the Serbs and does not support Izetbegovic. This is obvious from the behavior of the Jordanian battalion stationed in Lika. Furthermore, there are certain positive indicators from representatives of Italy, Great Britain, France, Russia....

[NIN] However, Russia did not veto this resolution. did it?

[Martic] That is true, but the reasons should be sought in the current situation in Russia, which is burdened with the problems in Chechnya. However, the fact remains

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

that Russia, for the first time following the end of the Cold War, exercised the veto in our case.

[Box, page 17]

[NIN] Regardless of your expectation that in the event of a Croatian aggression against Krajina there will be military aid from the FRY and the Srpska republic, is Krajina able to endure the first incursion if it is a large-scale one?

[Martic] I am absolutely convinced that we will be able to defend ourselves, and not only that: We are also able to inflict a blow on the aggressor because our mostpowerful weapon is the motivation to defend ourselves and succeed in that. Of course, the aggressor must take into account our armed forces, no matter how well-armed and militarily strong Croatia may have become recently. Nevertheless, I stress that our advantage is our motivation, because Croatian soldiers have no such motivation. Dalmatians and Istrians are against a new war—I have recently received messages, particularly from Dalmatia, that people there are against war, that they want peace and neighborly relations. This is confirmed by the fact that Tudjman's greatest mobilization problems are in Dalmatia and Istria.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

OSCE Mission Head Advises Emphasis on Economy

AU0102212895 Skopje NOVA MAKEDONIJA in Macedonian 2 Feb 95 p 2

[Interview with Tore Bogh, head of the OSCE mission in FYROM, by A. Damovski; place and date not given: "Economic Problems Are of Greater Priority Than Ethnic Ones"]

[FBIS Translated Text] "Nobody will be surprised if I say that all the conflicts that have occurred in connection with the breakup of the former multiethnic Yugoslav federation had an ethnic basis. The unrest that started three to four years ago is still going on. With the exception of Slovenia, the ethnic element is the main problem in the new republics. Under such circumstances, in a country such as Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], I think that it is of the utmost importance to redirect attention to other challenges facing the country: economic problems, the serious ecological problems, and unemployment. It is beyond any doubt that interethnic problems must be solved. They cannot be ignored. However, it is important to direct part of the energy that is now being wasted on ethnic questions toward an improvement of the overall functioning of the country. Today we cannot expect to meet the future with concepts and ideas from the turn of the century. The challenges of the new Europe are also your challenges," the head of the OSCE mission in Macedonia said in an interview with MAKPRESS.

[Damovski] How much is the campaign for a Albanian-language university in Tetovo increasing ethnic tensions in Macedonia?

[Bogh] One of the priorities for your country should be to promote the educational level of all the ethnic groups. The right to education in the mother tongue is one that has been recognized in many international documents and agreements. All these documents say that rights such as that to form private higher educational institutions are possible, but they have to conform with the laws of the country. That is the other side of the problem. I am not here to lecture or criticize the way in which you are solving this. We are here to advise and to reduce tension. Unfortunately, the debates are often approached with emotions and thus rarely result in alternatives acceptable to all.

[Damovski] How much does this initiative affect Macedonia's security?

[Bogh] It is interesting that in the Balkans every dispute takes on an ethnic color. Macedonia has the advantage and an important place among European countries, because it is facing its current ethnic problems constructively. All these difficulties can be overcome if there is less passion than is the case now.

[Damovski] What are the European experiences with regard to the educational problems of national minorities?

[Bogh] Every country must find its own way to solve these problems. The problem is not only in Macedonia. Let me remind you: There are over 1,000 nations in the world and only 180 states.

[Damovski] How much do these matters affect Macedonia's internal and external security?

[Bogh] The Yugoslav crisis is far from over. Nevertheless, so far Macedonia has come out of it in a positive way. We are sailing in calm waters now. As far as the foreign situation is concerned, there is a certain uncertainty because her southern and northern neighbors do not recognize Macedonia.

[Damovski] Is this uncertainty also caused by Macedonia not being a full member of the OSCE?

[Bogh] Yes, but as you know, this is related to the voting procedure in the OSCE. There is great support for Macedonia's admission to the OSCE. The important thing now is for all the groups in the country to direct their energies toward the difficult economic tasks, instead of wasting their efforts on promoting their ethnic and national heritage. If that is achieved, Macedonia will be on the right path to becoming an important part of a new and stable Balkans.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Thaler To Visit Zagreb, Budapest, Rome

AU0102173895 Ljubljana Radio Slovenia Network in Slovene 1430 GMT 1 Feb 95

[FBIS Translated Text] The Foreign Ministry has announced that Foreign Minister Zoran Thaler will be visiting Zagreb the day after tomorrow [3 February], Budapest on 6 February, and Rome on 8 February, while the date of his Vienna visit has not yet been firmly agreed. About Thaler's visits, the Austrian press agency APA today says that the minister is expected to transform words into deeds. Indeed, when he was appointed last week, he singled out relations with neighboring countries as the second priority in Slovene foreign policy. As his first, he put Slovenia's eventual inclusion in European integration processes.

The Austrian press agency emphasizes that unresolved problems over the state border in Piran Bay, the share of the Krsko nuclear power station, and the Ljubjanska Banka's debts to Croatian foreign currency account holders, amounting to approximately 300 million German marks, will be awaiting Thaler in Zagreb. He has already stressed that nothing can be achieved with an all-or-nothing approach. For this reason, he can be expected to put forward compromise proposals to the Croatian side.

On 6 February Thaler will travel to Hungary to find that, apart from kilometers of traffic jams at the Dolga Vas border crossing, there are no other problems between the countries, the same source writes.

On 8 February, Thaler will meet with Italian Foreign Minister Susanna Agnelli and subsequently with Austrian Foreign Minister Alois Mock in Vienna. The date of this meeting has not yet been finalized. Apart from the trade deficit and the usual debate on minorities, there will be no other issues on the agenda, as relations are good, APA emphasizes.

Signs Minorities' Convention

AU0202130695 Ljubljana Radio Slovenia Network in Slovene 0600 GMT 2 Feb 95

[FBIS Translated Text] The representatives of 21 member states of the Concil of Europe yesterday signed a convention on protecting minorities at this organization's headquarters in Strasbourg. In the name of our state, the convention was signed by Foreign Minister Zoran Thaler, who said it was important that Italy, Austria, and Hungary signed the agreement, too; Ljubljana will therefore be able to cite the provisions of this convention in protecting the interests of the Slovene minority in these states.

Minister then met with some of his European colleagues and senior Council of Europe officials. Miguel Angel Martinez, president of the parliamentary assembly of the Council of Europe, briefed him of the contents of the talks with the new Italian Prime Minister Lamberto Dini, however, the minister did not wish to talk about the details of this discussion.

Deputy Croatian Foreign Minister Ivo Sanader last night voiced the opinion that the impending visit by Minister Thaler in Zagreb [on 3 February] will not be mere formality.

Kacin, Rifkind Sign Military Cooperation Pact

AU0202130595 Ljubljana Radio Slovenia Network in Slovene 0600 GMT 2 Feb 95

[FBIS Translated Text] Defense Minister Jelko Kacin and his British colleague Malcolm Rifkind yesterday in London signed a memorandum on cooperation in defense. The document will facilitate broader cooperation of both countries' armed forces.

Kacin and his hosts agreed that a group of British marines will arrive in Slovenia at the end of the month for a week's training. A ship of the British Royal Navy is expected to sail in Koper harbor this year, too.

Kacin also informed his hosts of our country's efforts to join the European security and defense organizations and also of the problems that Slovenia is encountering due to the arms embargo against our state.

Kucan Criticizes UN Over Treatment of Muslims

LD0102144495 Tehran IRNA in English 1328 GMT 1 Feb 95

[FBIS Transcribed Text] Vienna, Feb. 1, IRNA—Slovenian President Milan Kucan criticizing the United Nations for failing to defend Bosnian Muslims added that the fear of division of Bosnia-Herzegovina has not disappered among the conflicting parties.

Kucan stressed that an independent B-H is an stabilizing factor in the region and his country would continue to support the Bosnian people and government.

Connecting Bosnian future with that of Europe, the Slovenian president expressed his government's support for Bosnian territorial integrity and added that the U.N. has recognized Bosnian independence and unity.

At a meeting in Ljubljana Tuesday [31 January] with Iran's accredited ambassador Mehdi Mohtashami, the Slovenian head of state further emphasized on the existence of multi-nationality Bosnia.

Calling for dialogue between Islamic countries and Europe aimed at ending aggression against Bosnia Kucan suggested the proposed dialogue be based on Security Council and OSCE [Organization for Security and Cooperation in Europe] framework.

Mohtashami, warning of Serbian intentions to introduce the conflict as one between Islam and Christianity, called on European states and Catholics to neutralize Serb conspiracy.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Noting Muslims' world-wide concern for Bosnia, the Iranian envoy also critcized the international community and the West for their Bosnia policy.

Mohtashami stressing on continuation of Tehran's humanitarian aid to Bosnia also expressed support for Islamic/Western states dialogue in concurrence with the OSCE framework.

The division of Bosnia among the conflicting parties and the fall of Bosnia will not end the crisis but would flame the situation in the Balkan region, noted Mohtashami.

At a separate meeting, also on Tuesday, Mohtashami held talks with Slovenian culture minister on development of bilateral cultural relations.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Federal

Kontic Urges Good Ties to All Religions

LD0102192495 Belgrade TANJUG in English 1819 GMT 1 Feb 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Feb. 1 (TANJUG)—Yugoslav Prime Minister Radoje Kontic on Wednesday called for a further development of good relations between the state and all churches and religious communities in a spirit of understanding and equality.

Kontic said, 'we live in a multinational state in which it is much harder to maintain a spirit of tolerance than to cause confrontation.'

Kontic made the statement in a meeting with representatives of the churches and religious communities in Yugoslavia, including of the Serbian Orthodox Church, the Roman Catholic Church, the Jewish And Islamic communities, the Evangelical, Reformed and Adventist Churches.

Kontic informed the religious dignitaries that the federal government planned to create market-economy conditions and improve the standard of living this year.

He said peace was his government's highest national and state goal at the foreign policy level.

Kontic said it was the Yugoslav Government's stand that the peace talks between Bosnian Serbs and Muslims should resume.

He said talks should also resume between the Republic of Serb Krajina and Croatia 'on the basis of the Vance plan, since any resolution of the existing situation by means of force could be counter-productive.'

Metropolitan Amfilohije of Montenegro and the Littoral addressed the participants in the meeting on behalf of Patriarch Pavle of the Serbian Orthodox Church, who is in hospital.

Metropolitan Amfilohije said the main concern of the Serbian Orthodox Church was concern for spirituality and morals as the greatest human values.

The metropolitan said discord between the corporal and the spiritual was the cause of 'big dramas and misfortunes, tragic for all of us, regardless of faith, because we are all one being.'

Catholic Archbishop France Perko of Belgrade said he wanted 'our state, the Federal Republic of Yugoslavia, to help secure peace in the Balkans.'

Archbishop Perko said, 'it is the mission of religious communities to heal spiritual wounds and hate among people and to create a basis for coexistence and cooperation.' He said all Roman Catholic clerics in Yugoslavia truly felt that Yugoslavia was their country.

Mufti Hamdija Jusufspahic of Belgrade said, 'it is our religious duty to love our country and work for peace.'

'I was born in Bosnia, Islam is my faith and I have always considered myself a Yugoslav and that is why I can say on behalf of the Islamic religious community that we shall continue to be loyal to this state while the basic human rights are respected in it.'

Chief Rabbi Cadik Danon of Yugoslavia said his people was praying for peace and an end to the bloodshed on the territory of the former Yugoslavia.

Rabbi Danon said, 'the Jews in Yugoslavia feel as equals and among their own people. We Deeply sympathize with the sufferings of this people, we share both the good and the bad with it and we think it is unprecedented to place a whole state in a ghetto of unjust sanctions. We know what ghetto is and we know that an end comes to every ghetto,' Chief Rabbi Danon said.

Repatriates From Western Europe To Be Accepted

LD0102153195 Belgrade TANJUG in English 1305 GMT 1 Feb 95

[FBIS Transcribed Text] Belgrade, Feb 1 (TANJUG)—Yugoslavia will accept its repatriates from Western Europe in line with international law, Yugoslav Foreign Ministry official Milorad Ivanovic said.

The Belgrade daily POLITIKA EKSPRES on Wednesday quoted Ivanovic as saying that the Western sources' figure of 200,000 people who should be returned to Yugoslavia was not realistic.

Ivanovic, who heads the division for consular affairs, said that many of these people were not citizens of the Federal Republic of Yugoslavia, but of the republics that seceded from the former federation.

Germany, Switzerland, Norway and the Netherlands in the beginning accepted most of these people as refugees, although they were never that, Ivanovic said. These countries refuse to accept an agreement with the Federal Republic of Yugoslavia on the repatriation of its citizens, since they do not recognize this Yugoslav state, Ivanovic explained.

'It turns out that the Federal Republic of Yugoslavia does not exist when talks should be held, but when 200,000 people should be repatriated, then it does exist,' Ivanovic said.

Ivanovic warned that 'certain Western European countries, like germany for example, are trying to bring into direct connection the return of false asylum-seekers with the lifting of the international sanctions against Yugoslavia.'

'Yugoslavia cannot negotiate under such conditions,' Ivanovic said.

Most of the false asylum-seekers are of Albanian nationality, but they are definitely not all from Serbia's

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

southern province of Kosovo and Metohija, the Belgrade daily said. Albanians went to Western European countries also from the former Yugoslav republics of Slovenia, Croatia, Bosnia-herzegovina and Macedonia [Former Yugoslav Republic of Macedonia—FYROM], as well as from Albania, but posed as exilees from Kosovo and Metohija, the daily said.

The acceptance of allegedly persecuted ethnic Albanians from Kosovo and Metohija helped Western European countries 'constantly to accuse Yugoslavia of violations of human rights and rights of national minorities,' the daily said.

A strong separatist movement of ethnic Albanians has been active for decades in Kosovo and Metohija. The movement urges the secession of this province from the Yugoslav Republic of Serbia and Yugoslavia and its annexation to Albania.

Ethnic Albanians refused to take part in the latest multi-party elections in Serbia and Yugoslavia. They do not recognize the Serbian and Yugoslav authorities and do not let their children attend school.

Kosovo's ethnic Albanians have also proclaimed an illegal government and parliament for their so-called Republic of Kosovo.

Supreme Defense Council Meets in Belgrade

LD0102135795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1225 GMT 1 Feb 95

[FBIS Translated Text] Belgrade, 1 Feb (TANJUG)—A Supreme Defense Council meeting was held in Belgrade today under the chairmanship of FRY President Zoran Lilic.

According to the FRY president's military office, the session examined questions from the Supreme Defense Council's constitutional jurisdiction with regard to the functioning of the FRY's Army and defense system.

The session was attended by Serbian President Slobodan Milosevic and Montenegrin President Momir Bulatovic, Supreme Defense Council members, and was by Federal Defense Minister Pavle Bulatovic and Colonel-General Momcilo Perisic, chief of the General Staff of the Yugoslav Army.

Serbia

Milosevic: Contact Group Plan Basis for Talks

LD0102222195 Belgrade TANJUG in English 2131 GMT 1 Feb 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, Feb. 1 (TANJUG)—'Contact Group' plan for Bosnia is not the final solution, but only a basis and starting point for talks on a definitive settlement to the conflict, said Serbian President Slobodan Milosevic Wednesday.

The Serbian president talked to more than 100 prominent businessmen and public workers from the Bosnian Serb Republic.

A statement issued by the Serbian President's Office quoted President Milosevic as saying that acceptance of the plan was the quickest way toward achieving peace.

Dissatisfied with the plan's proposed territorial division in Bosnia, Bosnian Serbs failed to accept the Contact Group plan, but urged resumption of the peace talks on the basis of the plan.

The statement said the Serbian president's guests from around the Bosnian Serb Republic unanimously stated the hope that the war in the former Yugoslav Republic of Bosnia-Herzegovina be ended as soon as possible and all production facilities used toward economic advance and development.

It said firm commitment was voiced unanimously for lasting peace to be attained in Bosnia-Herzegovina, as the prime national interest of the Serb people and all those living in the territory of the former Yugoslavia. In this context, as set out, it was necessary to continue the peace negotiations without delay.

The statement said the ideas about new forms and conferences, which could be heard in statements of prominent world politicians, merited attention as they were undoubtedly well-meant to effect a settlement as soon as possible despite a slowdown in the peace process.

The statement said that nonetheless each new conference would inevitably have to reach a final stage of direct harmonizing of the warring sides' interests, a definitive territorial delimitation and constitutional arrangements, because the peace process could not be completed without this.

For this reason, the statement quoted President Milosevic as saying, it was not a good thing to abandon the peace process of the Contact Group as it has already been brought to this stage.

The statement said any further delay in renewing the peace process directly threatened the vital interests of the citizens of the Bosnian Serb Republic and questioned the results produced in the struggle for their freedom and equality Bosnia-Herzegovina, while the realization of legitimate rights and interests of the Serb people in this region was becoming farther still removed from being definitively recognized and re-affirmed, the statement said.

Meets With Bosnian Group

LD0202005695 Belgrade TANJUG Domestic Service in Serbo-Croatian 1904 GMT 1 Feb 95

[FBIS Translated Text] Belgrade, 1 Feb (TANJUG)—Slobodan Milosevic, president of the Republic of Serbia,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

today received a large group of prominent public workers and businessmen of the Banja Luka, Semberija, and Posavina regions, who arrived in Belgrade at their own initiative. The general view held by public workers and businessmen throughout the Serb Republic, reflected in today's meeting with President Milosevic, was that the war should stop and all forces should concentrate on economic and cultural development, we read in a statement issued by the office of the president of the Republic.

Among more than 100 eminent businessmen and public workers received by Milosevic were people's deputies of the Serb Republic Assembly: Milorad Dodik, Uros Gostic, Momcilo Micic, Dragoljub Micic, Gavro Bogic, Goran Popovic, Andjelko Grahovac, Ratko Borkovic, Nikola Peric, Milenko Panovic, and Momir Tosic; presidents of the chambers of commerce of the Serb Republic and the Banja Luka region Bozidar Antic and Sveto Mudrenovic; Professor Vitomir Popovic, president of the council of Banja Luka University; and a number of eminent businessmen and public workers from other parts of the Serb Republic.

The statement says that in a lengthy conversation, which took place in a cordial and open atmosphere, the businessmen and public workers from the Serb Republic presented their views on the situation in the spheres in which they are involved and showed great interest in the most important issues concerning the course of the peace process and the steps that should lead to the establishment of permanent peace in this area. Drawing attention to the problems facing them, they unanimously expressed a desire that the war in former Bosnia-Herzegovina should end as quickly as possible and all available potential concentrated on economic progress and development.

The participants were unanimous at expressing their firm belief that a lasting peace should be achieved in former Bosnia- Herzegovina, this being in the prime national interest of the Serbian people and all those who live in former Yugoslavia. To this aim it is necessary to resume peace talks without delay. The Contact Group's plan is not the final solution, just a basis and a starting point for talks on a final settlement, said President Milosevic. That is why the acceptance of the contact group's plan, as the basis and the starting point for the resumption of the peace process, was the quickest way to achieve peace.

Ideas about new forms and conferences, which can be heard in the statements of eminent world politicians, are undoubtedly motivated by good intentions aimed at achieving a solution as quickly as possible, despite a delay in the peace process. For that they deserve attention. However, every new conference will have to reach the final stage, that of directly coordinating the interests of the warring sides—the Muslims, Serbs, and Croats—on the final territorial division and constitutional organization, because a peace process cannot end without it. For this reason it is not a good thing to abandon the peace process of the Contact Group as it has already been brought to this stage, for the sake of reaching that stage in some other way and in the meantime losing valuable time and more lives with each day. Any further delay in resuming the peace process directly threatens the vital interests of the citizens of the Serb Republic and questions the results produced in the struggle for their freedom and equality in Bosnia-Herzegovina, while the realization of the legitimate rights and interests of the Serb people in this region is getting even further away from final recognition and reaffirmation, it was stressed in today's meeting between President Milosevic and prominent businessmen and public workers.

Barricades Erected To Protest Against Power Cuts

AU0102153895 Belgrade BORBA in Serbo-Croatian 1 Feb 95 p 20

[Article by S. Jovanovic: "Barricades Because of Electricity"]

[FBIS Translated Text] Over 200 residents of the village of Pones in the Gnjilani municipality today at 1100 blocked the main road from Gnjilani to Pristina, so that, counting last night's blockade, traffic has been redirected to alternative routes for over three hours altogether. The residents of this village today erected barricades in the rain and poor weather, demanding from the municipal authorities that—after a five-day outage—normal supplies of electricity be restored to them via the damaged and disputed pylon.

The dispute is between the local authorities of the village of Koretiste, where the damaged pylon caused a fire, and the municipal authorities, who were asked to give written guarantees for compensation for the material damage caused and the relocation of the pylon by August of this year, as "a condition for the repair of the pylon that supplies the village of Pones, and several other villages in the municipality."

We have found out from the Gnjilani Electricity Distribution Center that their workers have finally been given permission to repair the damage, and that they would have that done by 2000 this evening at the latest.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735,or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.